

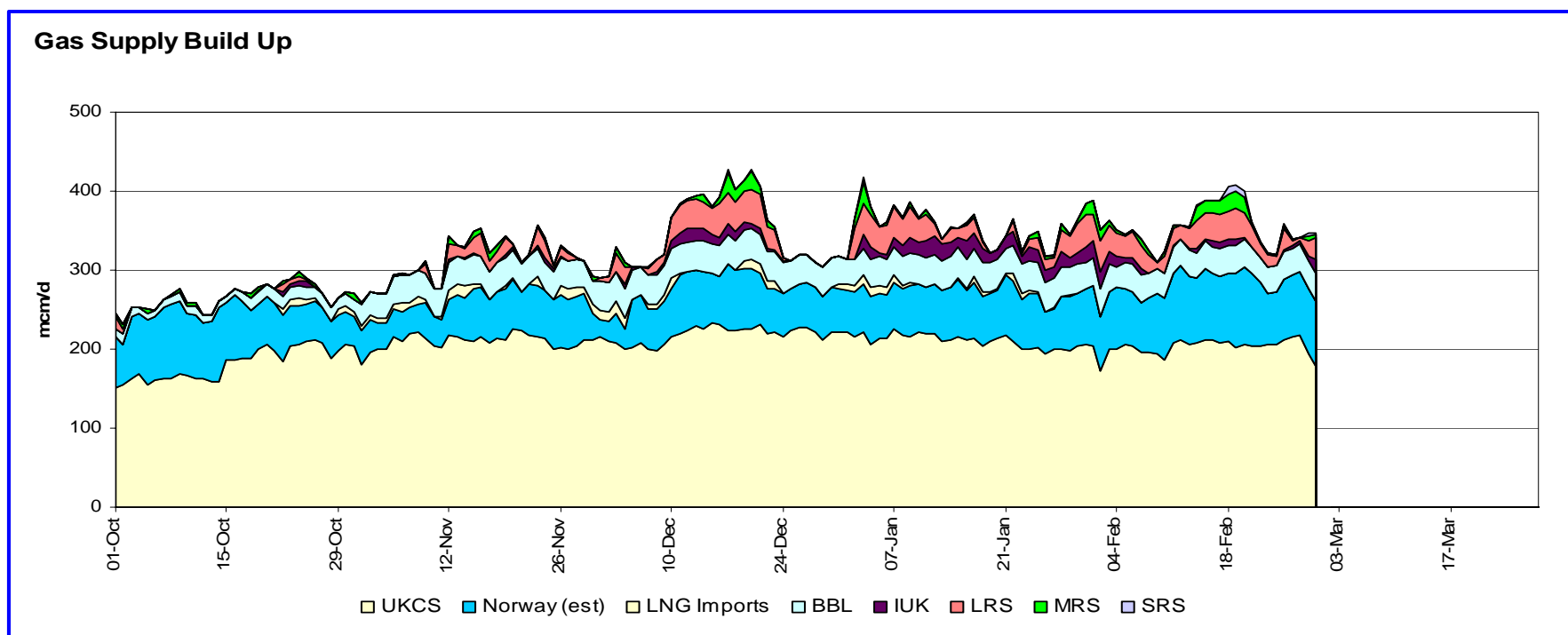
Gas Operations Winter Reporting

Monthly Web Update - March

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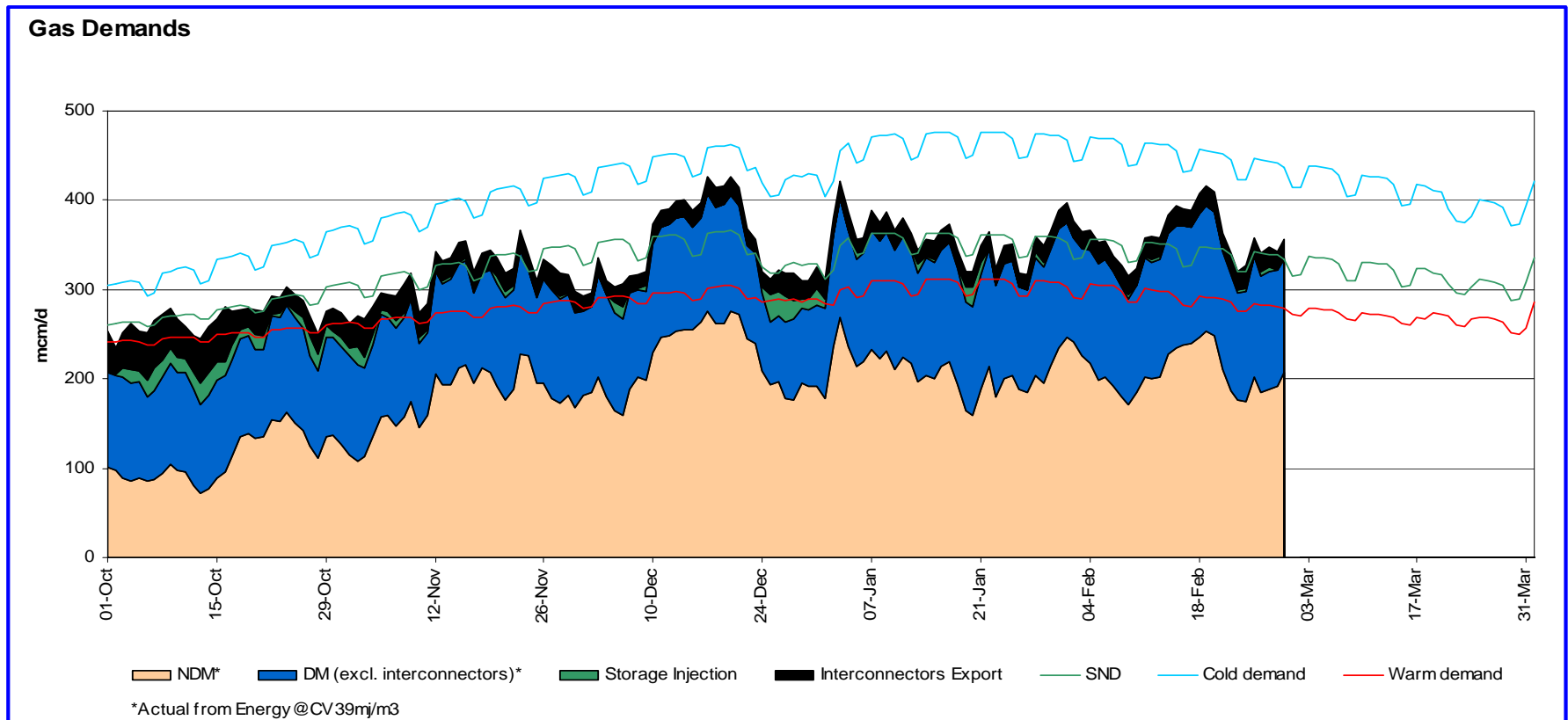
- ◆ <http://www.nationalgrid.com/uk/Gas/OperationalInfo/monthlyupdates/>
- ◆ The following charts are available online:
 - ◆ Gas Supply Build Up
 - ◆ Gas Demands (breakdown)
 - ◆ UKCS Monitor
 - ◆ Import Assessment
 - ◆ Gas Price vs Interconnector & Storage Activity
 - ◆ Current supply assumptions table

Gas Supply Build Up



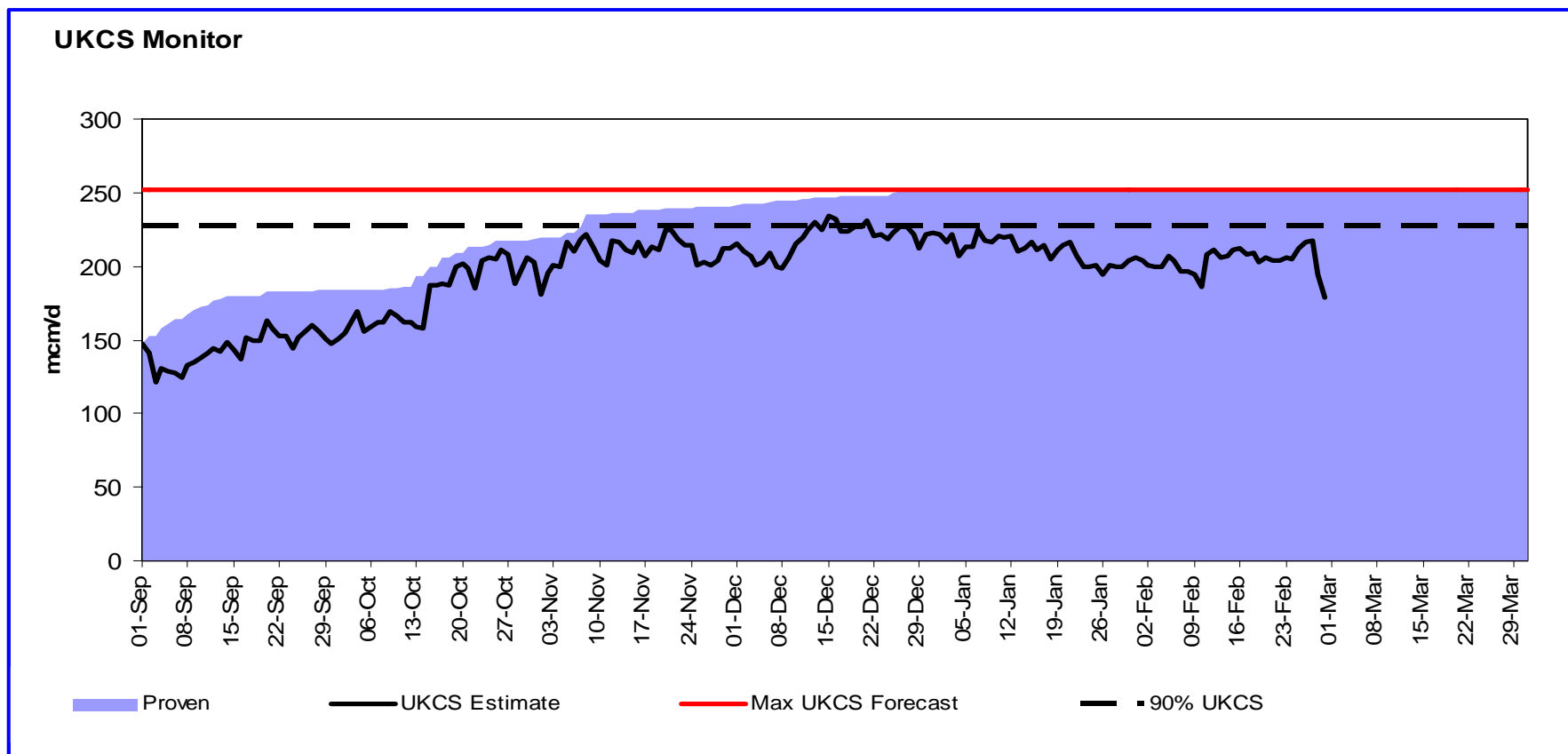
- ◆ Recent Supply Characteristics:
 - ◆ February weather has seen “mild” periods interspersed by “warm” periods, hence the clear peaks and troughs.
 - ◆ Norwegian flows high with an average of 79mcm/d and a peak of 99mcm/d, the highest this winter.
 - ◆ BBL continuing to flow steadily at around 36mcm/d.
 - ◆ IUK imports have been intermittent, with some periods seeing flows ~20mcm and other periods seeing no import.
 - ◆ There has been virtually no LNG import flows during February.
 - ◆ Some Short Range Storage (LNG Storage) has flowed particularly during the high demands mid month.

Gas Demands



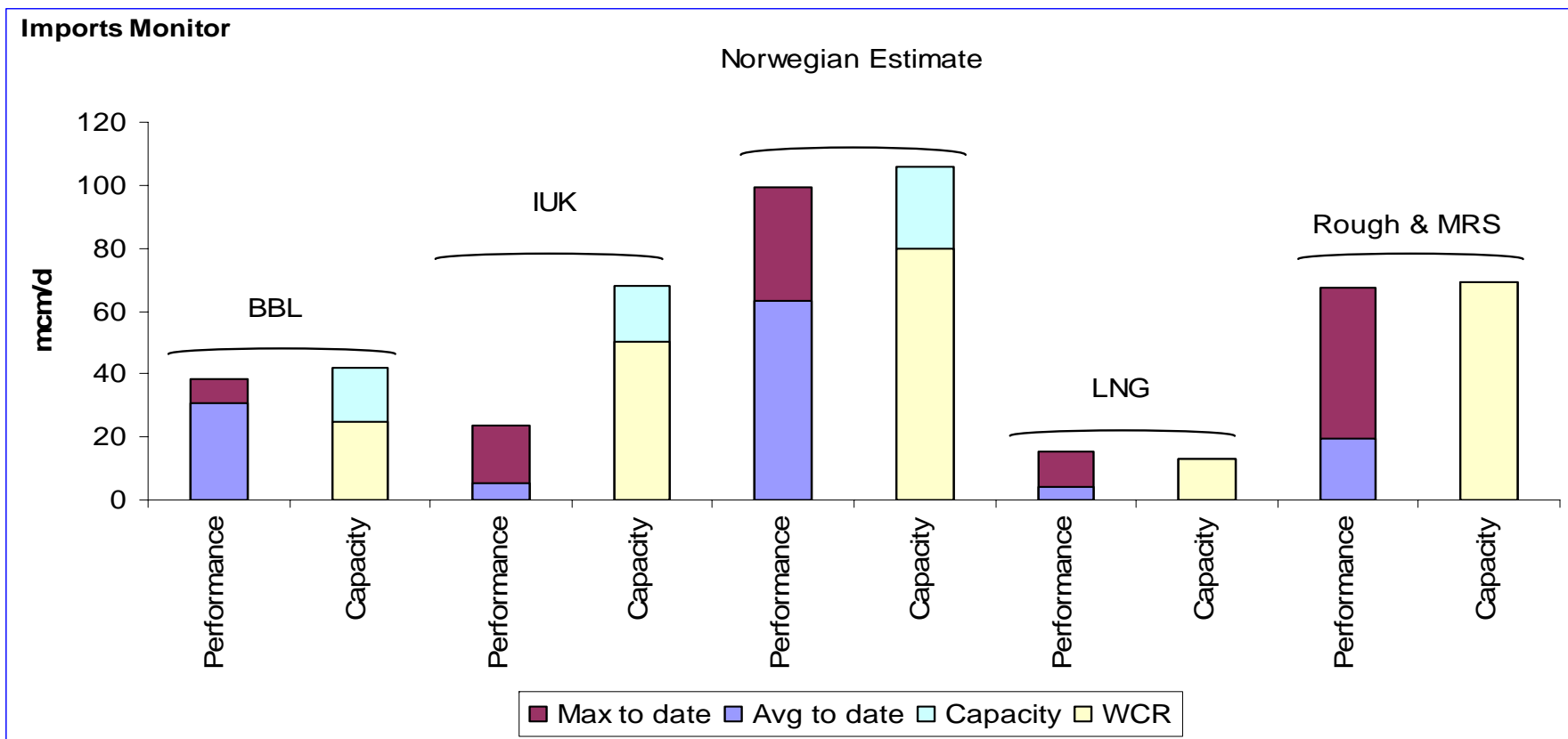
- ◆ February demand has been mainly above seasonal normal.
 - ◆ The most notable trend is average Daily Metered demand (large industrial & power) which has increased again to a 139mcm/d average from a 127mcm/d average in January.
 - ◆ Storage injection has been very low, with an average of 1.2mcm/d.

UKCS Supply Monitor



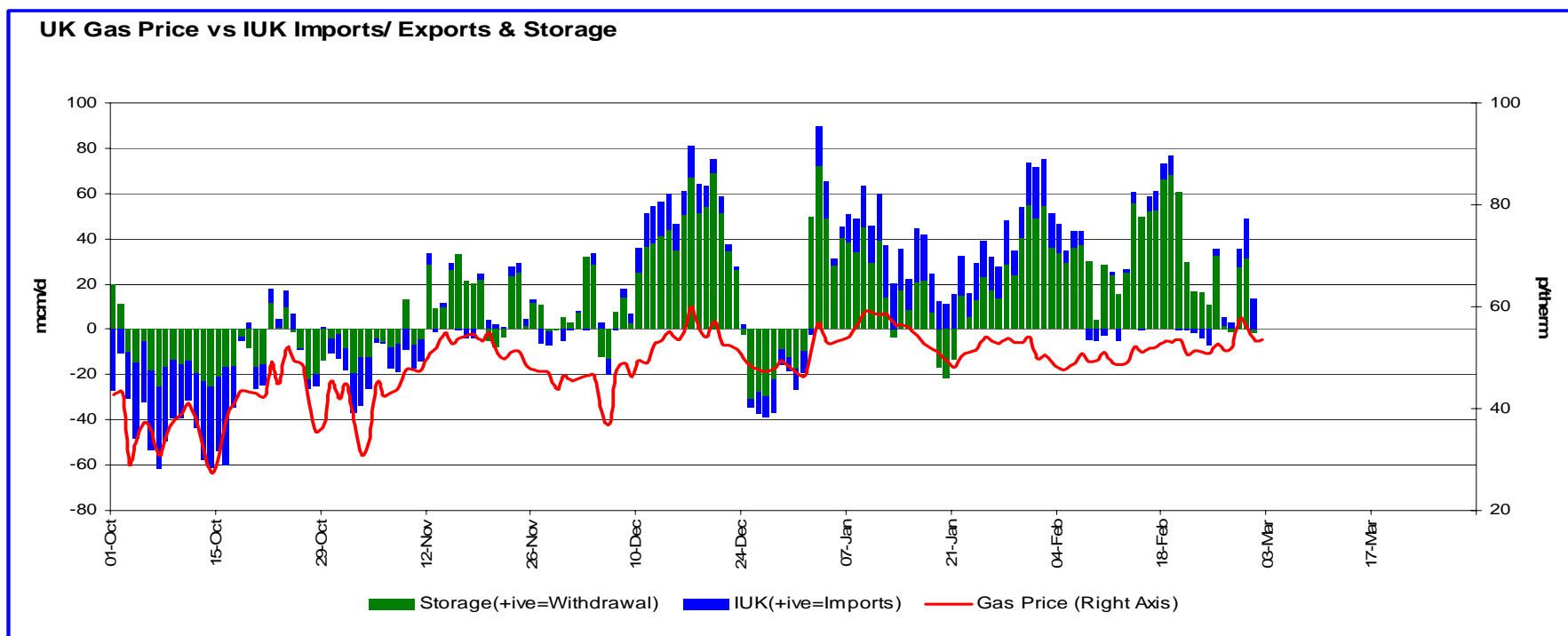
- ◆ Recent drop in UKCS supply due to loss of Bacton Shell due to a fire.
- ◆ Proven UKCS supply now 251mcm/d.
- ◆ Actual UKCS supply outturn has been good, with flows broadly in line with pre winter forecasts.

Import and Storage Assessment



- ◆ Little change in import performance since last month:
 - ◆ IUK still well below its Winter Consultation Report (WCR) forecast import flows.
 - ◆ LNG import flows averaging 3mcm/d this winter, well below forecasts.

Gas Price vs IUK & Storage Activity



- ◆ The UK gas price (SAP) has averaged 51p during February, well above this time last year. A price spike up to 57p was witnessed around 28 Feb which coincided with the Bacton Shell supply loss.
 - ◆ The period saw net storage withdrawal into the NTS (+ve green bars).
 - ◆ There was little IUK activity, although the mainly small flows were more import than export.
 - ◆ Peak net IUK imports were 1st Feb at 22mcm/d, which is close to this winter's maximum of 23mcm/d.

Supply Assumptions Update

-	Winter Consultation (Sept 2007)	Latest View (28/1/08)	Max to date	Comments
UKCS	227	227	234	All terminals flows broadly in line with forecast including high swing supplies at Bacton - no change to supply assumptions
Norway	80	85	95	Though forecast has been exceeded, at recent higher demands flows were in line with forecast. Tampen link now believed to be flowing.
IUK	50	40	24	Flows marginally below expectation, but not required by market due to healthy supplies and increased BBL
BBL	25	35	38	Flows above forecast, one of the factors for lower IUK
LNG	33	3	16	Latest view excludes Milford Haven. Grain reduced from 13 to 3 to reflect the lack of scheduled boats.
Total Non-Storage	415	390	406	-
Supply Risk	20	0	0	Supply risk now utilised
Safety Monitor	395	390	0	-
Long Range Storage	37	42	44	Latest view for Rough increased to reflect Transfer & Trades (see below) and recent shipper auctions
Medium Range Storage	45	32	27	Latest view now excludes Aldbrough
Short Range Storage	49	49	6	Higher LNG flows still expected if higher demands are experienced
Total Storage	131	123	77	-
Other comments - Transfer & Trade has lead to higher flows at Easington with at times, lower flows at donor ASEPs. Tampen link believed to be flowing.				