

10th December 2007

Mr Steve Smith
Managing Director Markets
OFGEM
9 Millbank
London SW1P 3GE

Dear Steve

Anti-hoarding arrangements at the Isle of Grain LNG importation facility

We welcome your request of 22nd November seeking comments on anti-hoarding arrangements at the Isle of Grain LNG Importation facility.

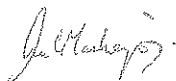
Although not potential third party users we would have concerns with the current operation of the UIOLI arrangements. Indeed, it is unlikely that any single end consumer would be able make use of the facility as they simply do not have sufficient demand to make this realistic.

It is essential that there are adequate provisions in place to ensure facilities are used to the full capacity, by the operators or others, and it is apparent that these do not appear to be effective – demonstrated by the fact that delivery of LNG so far this winter has been far below the maximum available capacity. We understand that this was a key provision in granting Third Party Access Exemption to the facility.

Further, we believe that the current notice provided for free berthing slots does not provide potential shippers enough time to divert / arrange replacement shipments –in fact we are far from clear what notice is actually provided. We believe greater notice is required.

If you have any queries following the comments above please feel free to give me a call.

Yours sincerely



Andrew Mackenzie
Gas Purchasing Manager
INEOS ChlorVinyls