



SSE CARBON CAPTURE AND STORAGE PROJECT AT PETERHEAD

SSE (Scottish and Southern Energy plc), has submitted a proposal under the EU's NER300 funding process to develop a Carbon Capture and Storage ("CCS") project at its gas-fired power station in Peterhead, Aberdeenshire. Shell U.K. Limited and Petrofac subsidiary CO2 DeepStore will also be participating in the project by providing the offshore transport and storage elements of the proposal.

The proposed project will design and develop a full chain, post-combustion CCS facility which will be capable of capturing the CO₂ from one 385 MW combined cycle gas turbine unit at Peterhead Power Station. Current plans are that the CO₂ will then be transported via an existing underground pipeline to St Fergus for further compression and then transported via an undersea pipeline to an existing gas reservoir in the North Sea operated by Shell U.K. Limited that will have ceased production.

The project is sized to be able to participate in both the EU's NER300 and Department of Energy and Climate Change funding programmes which are aimed at stimulating and encouraging investment in CCS.

SSE indicated in July 2010 that it intended to prepare a project proposal for a post-combustion carbon capture project for a gas fired power station and the submission today is the output from this work.

The UK Government announced in November 2010 that the second phase of the £9billion carbon capture and storage (CCS) demonstration programme - the three projects that will follow the first demonstration - will be open to projects on gas-fired power plants as well as coal-fired power plants.

Ian Marchant, Chief Executive of SSE, said:

"If long-term targets for reducing emissions are to be met, CCS technology must be



applied as widely as possible. We therefore welcomed the Government's decision to include gas-fired generation plant in its CCS demonstration programme. However, the development of a commercial-scale CCS demonstration project presents significant challenges and will require appropriate levels of support from both the EU and UK government.

"I believe Peterhead represents the best site in the UK for a gas CCS project and our co-operation with Shell and Petrofac strengthens this proposition even further. Given the work already undertaken, the project can proceed at a pace at least equal to other CCS projects in Europe. I hope that our submission will successfully persuade others that this is the case."