



**Summit Energy
Evolution Limited**
4th Floor, Vintners Place
68 Upper Thames Street
London
EC4V 3BJ

20th May 2024

Stephen Sanderson
Chief Executive
UK Energy Storage Ltd.
Hays House,
Millmead,
Guildford,
Surrey,
GU2 4HJ

Dear Stephen,

RE: Hydrogen Storage – Letter of Support

I am writing to express our support for the Dorset and Yorkshire hydrogen storage projects that are being undertaken by UK Energy Storage Ltd. (“UKEn”). Summit Energy Evolution Ltd. (“SEEL”) is a wholly owned Subsidiary of Sumitomo corporation (“Sumitomo”) and we are joint developers of the Bacton Hydrogen Project, a proposed 590 MW CCS-Enabled hydrogen production project in the vicinity of the existing Bacton Gas Terminals in Norfolk.

The UK government has committed to reducing greenhouse gas emissions to net zero by 2050 with a target of a 78% reduction in carbon emissions by 2035 which will require significant action, especially over the next ten years. Hydrogen represents an opportunity to decarbonise industry and provide a range of off-takers with access to a low carbon fuel supply. As a result of this we understand the need to develop and build a hydrogen network through the repurposing of existing gas infrastructure as well as the creation of new interconnected gas infrastructure.

Hydrogen Storage will be a key component in the development of any nationally connected distribution network, including through the National Gas Project Union, or the local hydrogen distribution projects being developed by Cadent and SGN. Ultimately, all large scale hydrogen production facilities will benefit from access to hydrogen storage for security of supply and to smooth out peaks and troughs in the demand profiles of hydrogen production facilities.

UKEn’s hydrogen storage projects could be a keystone customer for the Bacton Hydrogen Project and potentially provide a hydrogen demand that would facilitate investment in a new UK wide hydrogen distribution system.

In support of this proposal we have committed to working with UK Energy to:

- Ensure supply from the Bacton Energy Hub can contribute to future hydrogen storage capacities
- As far as is practicable, ensure the project schedules are aligned
- Help promote the benefits of a hydrogen economy and the part the Bacton Hydrogen Project and the UKEn’s Hydrogen Storage Projects can contribute to this
- Identify the opportunities that can be realised between the projects to create new low carbon energy infrastructure in a sustainable fashion
- To continue to cooperate with UKEn with a view to SEEL or Sumitomo investing in future hydrogen storage projects

We believe that UKEn's plans for hydrogen storage will identify and help realise the potential which hydrogen brings to the development of the low carbon economy in the UK.

We understand that this Letter of Support is not a legally binding contract and is SEEL expressing an interest which may, in time, lead on to significant low carbon energy projects for the UK .

We wish you all the best for your projects and look forward to cooperating with you on these exciting opportunities,

Yours Sincerely,.

A handwritten signature in black ink, appearing to read 'P. Lafferty', with a stylized flourish at the end.

Paul Lafferty
Chief Executive Officer
Summit Energy Evolution Ltd.