



Commission for Energy Regulation, Gas Division
The exchange, Belgard Square North
Tallaght, Dublin 24, Ireland
Att: Jerry Mac Evilly

16th December 2011

Dear Mr. Mac Evilly,

Consultation on Mitigation Measures to address Potential Capacity Constraints at the Moffat Entry Point in 2013/14

With reference to CER/11/206 and your request for views on supply and/or demand measures which could be undertaken to address the potential Irish gas market capacity issues for the winter of 2013/14.

We would in this context as a participant in the Celtic Sea Old Head of Kinsale (OHK) gas field like to comment that we believe that the OHK field could with the right measures be developed and on stream by 1.10.2013, providing the market with significant additional indigenous gas production, and most likely representing a clearly socio-economic viable project for Ireland.

A key challenge for the OHK project in today's financial markets environment is access to development financing for the operator (San Leon Energy) and the partners. In order to facilitate timely development of OHK Ireland could contribute to solving this challenge in terms of providing for example :

- 1) a BGE gas purchase contract with partial pre-payments, and/or
- 2) assistance wrt a project financing facility

Provision of these or similar mitigation measures would accelerate the taking advantage of proven Irish energy resources, enhance the security of supply for Ireland in a critical phase, make very rational use of the capacities the existing gas infrastructure while it is still present, prolong the lifespan of these facilities / secure jobs and provide for rewarding additional inland development project activities and employment.

Please take contact if of interest to obtain further information and details on the above input.

Yours sincerely,

Fridtjof Jebsen
Director
Valhalla Oil and Gas Ltd

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