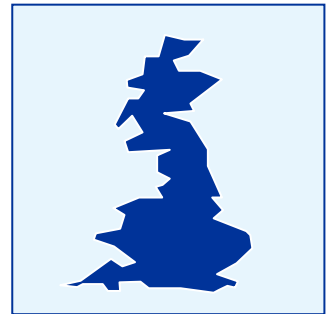


“PROSPECTS FOR NUCLEAR POWER IN GREAT BRITAIN”

August 2007 Edition



Pöyry Energy Consulting, established experts in European energy markets, announce the publication of our first edition of the ILEX Energy Report on the prospects for nuclear power in Great Britain.

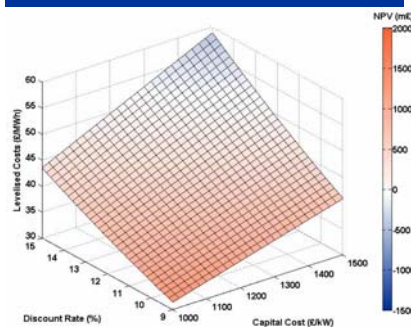
This independent report analyses the prospects for nuclear power in the British generation market over the timeframe **2007 to 2025**.

The report describes the **current state** of nuclear power in Great Britain. It considers the existing nuclear capacity, attitudes of the general public, government and the power sector to **new nuclear** power and describes recent government policies to facilitate new build.

The report analyses the **business case** for nuclear assuming new plants are developed by the private sector without public subsidy. Each component of **nuclear costs** is analysed using the most recent and authoritative sources. The **levelized cost** is compared with our long run projections of wholesale electricity prices. The figure shown illustrates the range of cost and NPV for a 1 GW plant, for different capital costs

and discount rates, assuming an energy price of £50/MWh.

Levelised cost and NPV (High energy price)



The report considers the **room for nuclear power** in the British market, given its impact on the demand/supply balance in the generation market. The misaligned timing of nuclear power relative to the **Large Combustion Plant Directive** and its consequences are analysed and discussed. The report compares the risk profiles of nuclear and CCGT plant in the competitive British market.

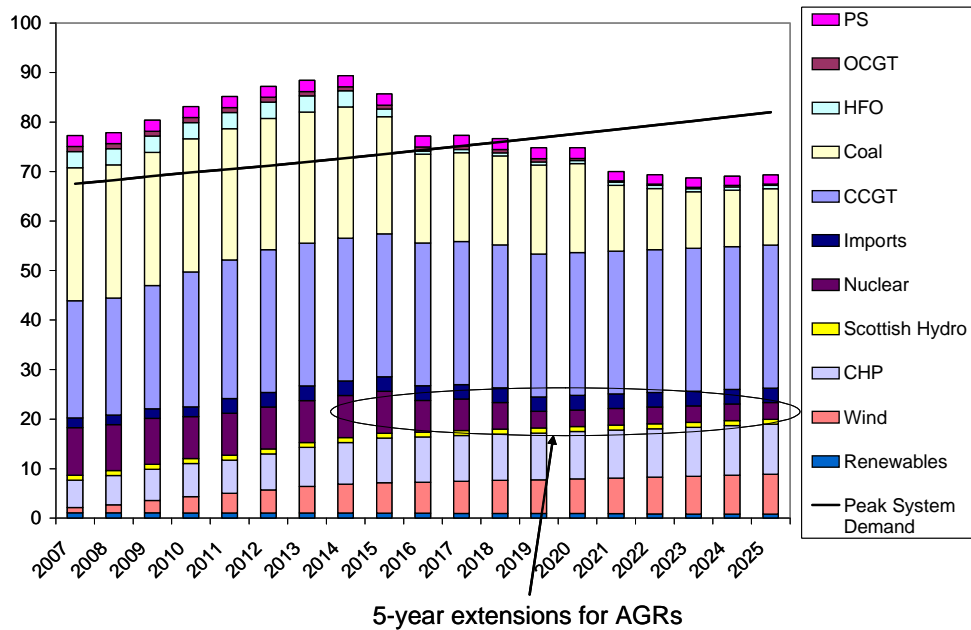
Considerable detail is included in 5 separate Annexes. These include:

- Further details of **government policy** with respect to nuclear;
- **International experience** and plans;
- A general **overview** of the **British wholesale market** and how its current structure and activity will affect future prices;
- The key assumptions behind Pöyry's most recent projections for wholesale prices; and
- Our **wholesale price projections** out to 2025.

We also present **spark spread and dark spread projections** resulting from our wholesale electricity projections.

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The impact of the LCPD on the capacity margin (GW) – assuming no further fossil fuel build



The figure shows one scenario for the impact of the Large Combustion Plant Directive on the demand/supply balance, if no further large scale capacity were committed but the lives of AGRs were extended. The gap will need to be filled before new nuclear is available.

All of our main scenarios assume that generators incur, and pass through to customers, a **carbon cost** determined by the EU ETS. We comment on the impact of our carbon price projections for wholesale prices.

Our **fuel price** assumptions are explained and we provide detailed projections for coal, oil and gas prices.

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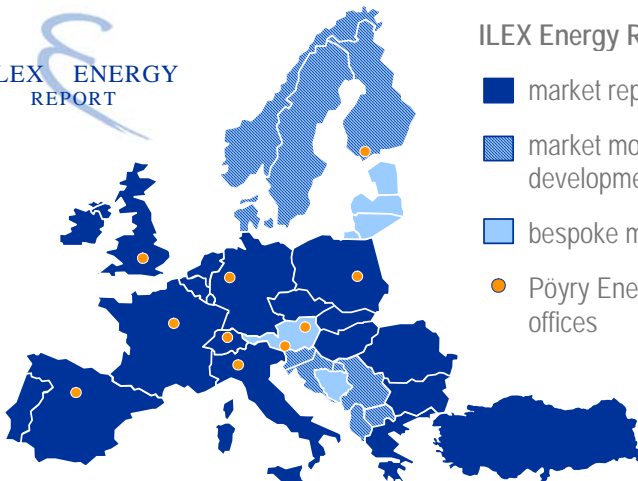
About Pöyry

Pöyry Energy Consulting produces ILEX Energy Reports for electricity, gas, carbon and green certificate markets across Europe.

Pöyry Energy Consulting is Europe's leading energy consultancy, providing strategic, commercial, regulatory and policy advice to the energy market.

Our team of over 170 European energy specialists, located across eleven offices and ten countries, offers unparalleled expertise in the rapidly changing energy sector

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