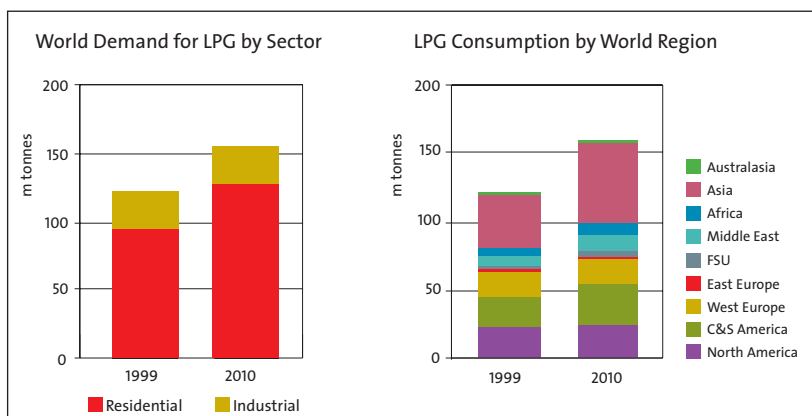


LPG – A POPULAR FUEL

ELSTER-JEAVONS Leads the Group

into the LPG Market

The world consumption of LPG (Liquid Petroleum Gas) in the residential and industrial sectors is currently around 120 million tonnes a year. By the end of 2010, demand will be approaching 160 million tonnes a year, a growth of some 3% per annum, which presents the ELSTER-AMCO Group with a very significant business opportunity.



It is not difficult to understand why LPG is a popular fuel. It is versatile in application, abundant in supply, easy to transport and environmentally friendly. Either reducing the temperature or applying moderate pressure can readily liquefy it. In liquid form, it occupies just 1/250th of its volume when it is a vapour. It is thus transported and stored as a liquid, but burnt like natural gas, hence its name Liquid Petroleum Gas.

LPG packs a lot of energy into a small space. Each kilogram contains around 12,000 calories (46,000 joules) of non-toxic and non-corrosive energy. With no sulphur and no heavy metals, it is non-polluting, making it one of the world's most environmentally friendly sources of energy.

LPG brings the user all the benefits of natural gas without the necessity of having the infrastructure that natural gas requires. In general, consumers start by using LPG supplied in bottles, but as they discover the benefits of the fuel and

their requirements grow they move to having bulk LPG supplied until such time that natural gas becomes available. Thus, LPG complements and supports the development of the natural gas market.

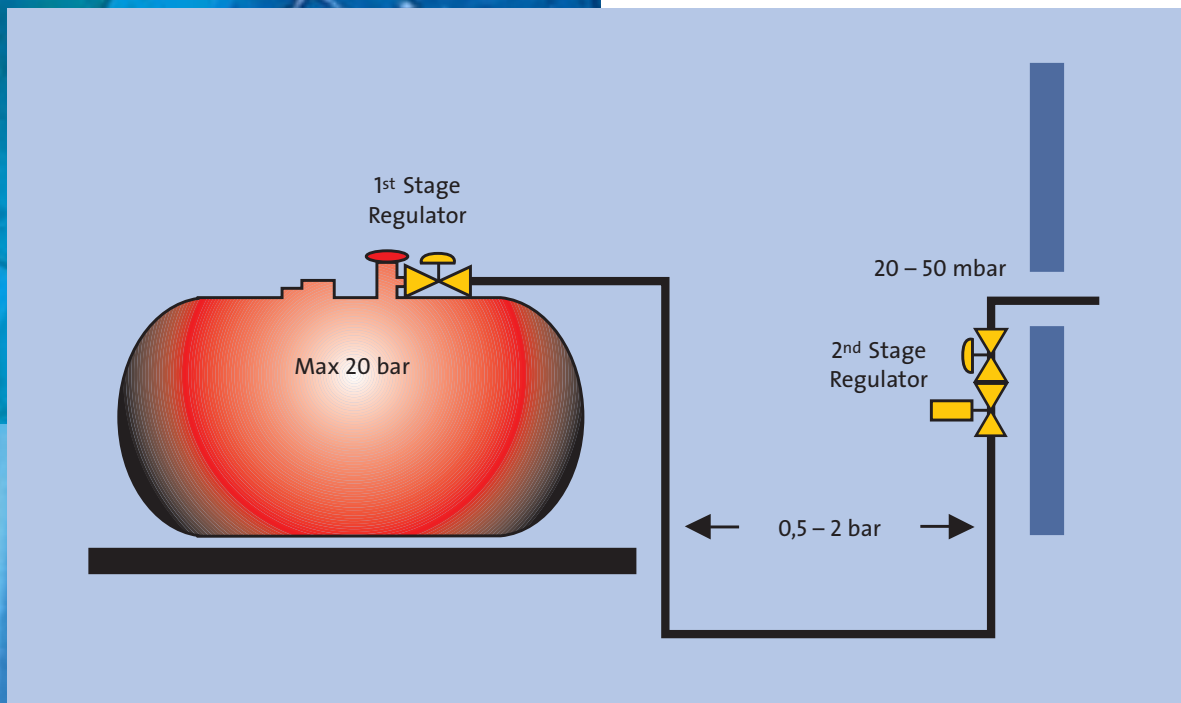
Each bulk supply system typically requires one or more tanks to be connected to the burners and appliances via pipe-work fitted with regulators and valves. In multi-user, pay-to-use and industrial applications, meters are also required. It is this market, the bulk LPG market, which ELSTER-JEAVONS, in

co-operation with group members and partners around the world, is actively targeting.

The engineering principals of bulk LPG systems are similar to those of natural gas; though where standards exist these differ by virtue of the fact that the fuels have slightly different physical and chemical properties. However, from a practical point of view the ELSTER-AMCO Group and its partners have all the necessary skills, facilities and products to service the global LPG market.

The diagram below shows an example of a typical "above ground" tank system, which is equally applicable to under-ground tanks, multi-train (i.e. multi-tank), and multi-user systems and even those that incorporate vaporisers (not shown). A well-designed system will use a minimum of two regulators to reduce tank pressure to application pressure and have mechanisms, which control over and/or under pressure within the system. Thereafter, any variations will be as a result of the application or local standards.

By focusing on customers' wants and needs in the UK market, a team of ELSTER-JEAVONS' staff, in a period of just 3 years, has managed to gain an estimated 20% market share. The portfolio of customers ranges from family concerns to multinational companies. They are linked by the common need to have products that are safe and





reliable and to do business with a company that provides technical service, convenience, professional sales processes, but above all, value for money.

The UK market in global terms is relatively small, mature and highly competitive, but by delivering customer satisfaction ELSTER-JEAVONS and their customers are reaping the benefits.

With this centre of expertise and a range of products (see diagram) we believe that others in the global arena can now benefit. The precise wants and needs of customers will unquestionably vary from market to market, but with the approach that has been developed, a whole new market sector can come to appreciate the qualities that the ELSTER-AMCO Group are renowned for world wide.

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