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Site decision has been made: RWE plans to build a power plant in Huerth featuring coal gasification and CO₂ capture

- **Choice of lignite as energy source shows commitment to the Rhineland mining district**
- **RWE Dea to investigate possible storage locations and plans a climate protection pipeline**

Essen, 29 August 2008

The RWE project to build a large-scale, high-tech power plant with integrated gasification combined cycle (IGCC), plus CO₂ capture, transportation and storage (CCS), is an important milestone for the Group. The new power plant, which will be fuelled by local lignite resources, is to be constructed on the Goldenbergwerk site in Huerth near Cologne. As the foundation stone was ceremonially laid today for the hard-coal-fired power plant in Hamm, Dr. Juergen Grossmann, CEO of RWE AG, explained: "We will do everything in our power to ensure this innovative project is now swiftly expedited. With our expertise in clean power technologies, we want to show the energy to lead in this field."

In the presence of Federal Chancellor Dr. Angela Merkel, Grossmann called for the appropriate legal framework for CCS technologies. "We are leaders in the field of clean coal generation. Lignite is the right fuel, because it is subsidy-free and available in sufficient quantities; the Goldenbergwerk site is a good location and IGCC is future-oriented technology", added Juergen Grossmann. "We need broad-based support and appropriate development assistance for this innovative project."

Around €2 billion will be required for this plant with its 450 MW capacity, pipeline and storage facility. RWE has already committed €1 billion for this purpose. "We are prepared to take on substantial financial risks with this project. We also want to open up our project to other reliable partners", explained Dr. Johannes Lambertz, CEO of RWE Power. The ambitious timeframe foresees completion of the power plant by the end of 2014. Lambertz stressed: "We will only be able to meet this deadline if the

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proposed legal framework is finalized soon and includes accelerated consent procedures for the pipeline and storage.“ For the project to succeed, public acceptance of the new technology is particularly crucial. “The industry and government are jointly responsible for keeping the public informed in a prompt and open manner and garnering the necessary support for this innovative form of climate protection“, Lambertz added.

The decision to go with the Goldenbergwerk site demonstrates the commitment of the company to lignite and the mining district of the Rhineland. “We have made a conscious decision to give our domestic energy source some long-term future prospects“, the CEO of RWE Power underlined. In this IGCC power plant, the lignite will initially be dried using a process developed specially by RWE. The next step is gasification, before the CO₂ is separated from the synthesis gas created in the process. About 90% of the CO₂ generated by this power plant process could be captured and stored in the geological rock formations that are particularly suited to this purpose, known as deep saline formations.

RWE Dea plans to investigate suitable storage locations in Schleswig-Holstein. In order to transfer the carbon dioxide from the power plant site in the Rhineland mining district to these storage locations in the north of Germany, RWE Dea plans to build a climate protection pipeline. “A pipeline is the safest and most economical way of transporting CO₂“, explained Dr. Georg Schoening, CEO of RWE Dea. It is anticipated that the planning consent process for the line will begin before the end of the year. A possible storage facility in the state of Schleswig-Holstein could additionally be used for feeding in CO₂ from other power stations, for example from Schleswig-Holstein.

Please direct enquiries to:

Volker Heck
RWE AG
Head of Corporate
Communications
T: +49 201 12-15095

Stephanie Schunck
RWE Power
Head of
Communications
T: +49 201 12-22088

Uwe-Stephan Lagies
RWE Dea AG
Head of
Communications
T +49 40 6375-2511

Notes to the editor:

RWE Power AG is the power generator in the RWE Group in Continental Europe and one of the largest European power producers. RWE Power bases its generation on a broad range of energy sources. It uses nuclear energy and lignite extracted from its own open-cast mines in the Rhineland for base load generation, plus hard coal, gas-fired and hydro power plants for mid-merit and peak load demand. More than 17,000 employees work for RWE Power and its subsidiaries and affiliates at home and abroad.

RWE Dea AG, headquartered in Hamburg, is an international operator in the field of exploration and production of natural gas and crude oil. In Germany, RWE Dea also operates high-volume underground storage facilities for natural gas. The company has state-of-the-art drilling and production technologies and a wealth of experience at its disposal. RWE Dea has also set new benchmarks in the areas of health and safety and environmental protection.

RWE npower in the UK is close to commissioning a carbon capture testing facility at its Didcot A 2000MW coal-fired power station in Oxfordshire. It will examine two types of 'post combustion' technology known as Amine Scrubbing and Oxyfuel. RWE npower also plans to begin construction of a Carbon Capture and Storage 'pilot project' of at least 1MW at its Aberthaw coal-fired power station in Wales in 2009. Due to be commissioned in 2010, it will be the first project of its type at a commercial power station in the UK, capable of capturing at least 25 tonnes of CO₂ per day.

Information on climate-friendly power generation

CCS:	Carbon Capture and Storage – separation and storage of CO ₂
IGCC:	Integrated Gasification Combined Cycle – a combined-cycle power plant with integrated coal gasification. In the IGCC power station process, coal is not burned but gasified, i.e., turned into gas. The primary components of the raw gas produced in this way are hydrogen and carbon monoxide. The addition of water vapour (steam) converts the carbon monoxide into carbon dioxide (CO ₂), which is then easily separated out and liquefied. The process also produces more hydrogen, which is then used to generate electricity in downstream gas and steam turbines or further refined to produce fuel or synthesis gas.

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Saline formations:

Deep-seated, saltwater-bearing rock formations, which are extremely porous and sealed off by layers of cap rock, offer ideal underground conditions for the safe storage of CO₂. RWE Dea has applied to the authorities of the state of Schleswig-Holstein for approval to investigate the suitability of such geological formations for storing CO₂.