RWE

Press release

RWE and Equinor agree on strategic partnership for security of supply and decarbonisation

- **Blue* and green** hydrogen to be transported from Norway to Germany via hydrogen pipeline, based on Equinor's ambition to produce hydrogen in Norway**
- **Partners to develop dedicated offshore hydrogen projects along the pipeline to gradually ramp-up the renewable hydrogen share of German imports**
- **Joint investment in 3 GW of hydrogen-ready CCGT capacity in Germany planned**

Oslo/Essen, 5 January 2023

Anders Opedal (Equinor) and Dr Markus Krebber (RWE) agreed today on a strategic energy partnership between their companies. The agreement includes large scale projects that will contribute to the European energy supply as well as to the ramp-up of the hydrogen economy in Germany and the EU. In addition, the partnership will strengthen the long-term security of supply of a decarbonised European power sector.

The investments are contingent on the construction of a hydrogen pipeline between Norway and Germany and a German hydrogen downstream infrastructure. In anticipation of this infrastructure, Equinor and RWE propose a series of investments that would be major building blocks for European hydrogen supply and its utilization in the power sector from 2030 onwards.

"Through this collaboration we will strengthen the long-term energy security for Europe's leading industrial country while at the same time offer a viable route to a necessary energy transition for hard to abate industries. The collaboration has the potential to develop Norway into a key supplier of hydrogen to Germany and Europe. This is a unique opportunity to build a hydrogen industry in Norway where hydrogen also can be used as feedstock to domestic industries," says **Anders Opedal, Equinor's CEO and President**.

Markus Krebber, CEO of RWE: "In order to make progress in the conversion from fossil fuels to hydrogen, there is an urgent need for a rapid ramp up of the hydrogen economy. Blue hydrogen in large quantities can be the start, with subsequent conversion into green hydrogen supply. This is exactly what we are driving forward with our partnership – providing the industries with significant quantities of hydrogen. In addition, our planned investments into hydrogen-ready gas-fired power plants will ensure security of supply in a decarbonized power sector."

First blue, then green hydrogen

Equinor has the ambition to invest in clean hydrogen to Europe projects with an initial 2 gigawatt (GW) of low-carbon (blue) hydrogen production capacity in Norway by 2030 and up to 10 gigawatts by 2038. These facilities are to feed into a pipeline to Germany, which is

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currently being assessed by Gassco, Equinor and third parties. Provided this pipeline is in place, Equinor will transport the blue hydrogen, which RWE will purchase and use in hydrogen-ready gas plants.

In addition to this, RWE and Equinor will collaborate in projects aimed at generating green hydrogen. Offshore wind energy is by far the most effective form of renewable power generation. Combined with electrolysers it will play an important role for the ramp-up of the hydrogen economy. In this context RWE and Equinor are planning to jointly explore possibilities for offshore production of renewable hydrogen in Norway, Germany and countries adjacent to the proposed hydrogen pipeline. Both companies are already engaged in developing AquaSector – a project in the North Sea aimed at creating a 300 MW offshore wind farm connected to offshore electrolysers that produce green hydrogen.

Joint investments in H2-readiness

RWE and Equinor also plan to jointly invest in flexible hydrogen-ready gas-fired power plants (CCGT) in Germany with a total capacity of 3 gigawatts by 2030. Hydrogen-ready gas-fired power plants are based on technology that is available at scale to balance the fluctuating electricity generated from renewables and electricity demand.

In accordance with specifications from the German Federal Ministry of Economic Affairs and Climate Protection, the CCGT plants shall be able to reach 50%vol hydrogen combustion at the time of commissioning. The companies will pursue a roadmap to reach 100% hydrogen combustion capability by the mid-2030. The RWE-Equinor partnership is to secure the fuel supply for their planned CCGT fleet in line with this decarbonisation schedule: For this, Equinor initially plans to supply the natural gas required for the operation of the joint CCGT plants. In order to accomplish the CCGT's transition towards 100% hydrogen firing, natural gas will in a first step be replaced by low-carbon hydrogen. As offshore hydrogen production plants get connected over time, green hydrogen will gradually complement and ultimately replace its blue counterpart in imports to Germany. Green hydrogen from RWE's and Equinor's joint projects will fire the joint CCGT fleet to complete its decarbonisation journey.

In addition, RWE and Equinor will continue to explore joint investments in offshore-wind-only projects in Norway and Germany as well as green hydrogen production in Norway.

*Low carbon (blue) hydrogen

Blue hydrogen is produced by a process called steam reduction of natural gas. In the process, the gas is split into hydrogen and CO2. During the production of blue hydrogen, the resulting carbon dioxide is stored using carbon capture and storage technology (CCS) with safe storage underground, offshore in Norway.

**Renewable (Green) hydrogen

Green hydrogen is produced by electrolysis of water, using electricity from renewable energy sources. Besides hydrogen oxygen is produced.

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RWE

RWE is leading the way to a green energy world. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 gigawatts internationally by 2030. RWE is investing more than €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydrogen, batteries, biomass and gas. RWE Supply & Trading provides tailored energy solutions for large customers. RWE has locations in the attractive markets of Europe, North America and the Asia-Pacific region. The company is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. RWE employs around 19,000 people worldwide and has a clear target: to get to net zero by 2040. *On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The Science Based Targets initiative has confirmed that these emission reduction targets are in line with the Paris Agreement.* Very much in the spirit of the company's purpose: Our energy for a sustainable life.

Equinor

Equinor is an international energy company committed to long-term value creation in a low-carbon future. Our purpose is to turn natural resources into energy for people and progress for society. Equinor's portfolio of projects encompasses oil and gas, renewables and low-carbon solutions, with an ambition of becoming a net-zero energy company by 2050. Headquartered in Stavanger (Norway), Equinor is the leading operator on the Norwegian continental shelf. We are present in around 30 countries worldwide.

Forward-looking statements

This press release contains forward-looking statements. These statements reflect the current views, expectations and assumptions of management, and are based on information currently available to management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the company's future results and developments. Neither the company nor any of its affiliates undertakes to update the statements contained in this press release.

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