



Press release

RWE and Novatek cooperate on decarbonisation of industry

- **RWE Supply & Trading and Novatek sign Memorandum of Understanding to develop hydrogen trading between Russia and Europe**
- **Reporting of Greenhouse Gas emissions on LNG cargoes also part of planned cooperation ahead of possible carbon offsetting**

Essen/Moscow, 7 December 2021

RWE and Novatek have signed a Memorandum of Understanding to cooperate on supply of low-carbon and carbon-free fuels. The MoU envisages the supply of low-carbon ammonia and hydrogen by Novatek to RWE. Novatek, the largest independent producer of natural gas in Russia, is conducting a pre-FEED (Front End Engineering Design) study for blue ammonia and hydrogen production in the Yamal region, which will include carbon capture and storage (CCS) facilities. The fuel is to be produced at Novatek's planned Obskiy Gas Chemical Complex project and will be delivered to RWE and its customers in Germany and other European markets.

The partners also intend to extend their cooperation in supply of liquefied natural gas (LNG), including possible carbon-neutral LNG. The trend towards greater transparency on greenhouse gas emissions is supported by both companies and marks an important first step towards the potential use of carbon credits to offset any remaining emissions.

Javier Moret, Global Head of LNG at RWE Supply & Trading emphasises: "Europe has set ambitious climate targets. To achieve them, renewables must be expanded massively and quickly. At the same time, however, we need a flexible generation as a back-up to guarantee security of supply. The ultimate goal is for plants powered by green energy sources to take over this task, such as gas-fired power plants fuelled by green hydrogen. But until that point is reached, bridge solutions such as gas, LNG and blue hydrogen will be needed. We are therefore very pleased to be working with Novatek to evaluate possibilities to supply Europe with large quantities of blue and green hydrogen."



RWE

“We are very well positioned to benefit from the transition of global economies to low carbon energy sources,” said Lev Feodosyev, Novatek’s First Deputy Chairman of the Management Board. “Natural gas including LNG is already replacing other types of fuels with higher carbon footprint, and we are working on decreasing the already low carbon footprint of LNG produced by our projects in the Russian Arctic. Now we are undertaking the pre-FEED study for the blue ammonia and hydrogen plant with CCS facilities nearby our LNG cluster in Yamal for the delivery to final customers of low-carbon products in Europe and Asia.”

With its investment and growth strategy ‘Growing Green’ RWE wants to invest €50 billion gross through to 2030 to grow its green and flexible generation portfolio. Thanks to an installed capacity of 14 gigawatts (GW), RWE is currently operating the second-largest gas-fired power station fleet in Europe.

In the context of ‘Growing Green’, additional plants, which will have a clear decarbonisation roadmap, are planned and a roadmap for “green conversion” will be developed for all existing gas-fired power stations. RWE will also significantly expand its trading in green energy sources and its range of tailored energy solutions for large customers. RWE plans therefore to open up new business opportunities in the areas of hydrogen and ammonia importing, in order to supply industry in Europe.

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RWE Supply & Trading GmbH

RWE Supply & Trading is the interface between RWE and the energy markets around the world. Approximately 1,600 employees from 40 countries trade electricity, gas, commodities and CO₂ emission allowances. Accurate market analyses and a high degree of customer centricity enable them to create innovative energy supply solutions as well as risk management concepts for industrial operations. The trading company also ensures the commercial optimisation of power plant dispatch at RWE and markets electricity from renewables. In addition, there are the legally independent RWE gas storage companies under the umbrella of RWE Supply & Trading.

Novatek

PAO NOVATEK is the largest independent natural gas producer in Russia, and in 2017, entered the global LNG market by successfully launching the Yamal LNG project. Founded in 1994, the Company is engaged in the exploration, production, processing and marketing of natural gas and liquid hydrocarbons. Upstream activities of the Company’s subsidiaries and joint ventures are concentrated mainly in the prolific Yamal-Nenets Autonomous Region, which is the world’s largest natural gas producing area and accounts for approximately 80% of Russia’s natural gas production and approximately 15% of the world’s gas production. NOVATEK is a public joint stock company established under the laws of the Russian Federation. The Company’s shares are listed in Russia on Moscow Exchange (MOEX) and the London Stock Exchange (LSE) under the ticker symbol «NVTK».

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