

PRESS RELEASE, 5 December 2011

## **Uncertainties with CCS law stop Vattenfall investment in demo plant**

**Due to the ongoing impasse in the German CCS law, Vattenfall now sees itself forced to stop plans for its CCS demonstration project in Jämschwalde. The company today announced the termination of the planned EUR 1.5 billion investment.**

The EU-supported project would have been operational by 2015/16, and would have demonstrated this climate-protection technology for the first time at a significant power plant scale.

"We must unfortunately accept that there is currently insufficient will in German federal politics to implement the European directive so that a CCS demonstration project in Germany could be possible", said Tuomo Hatakka, Head of Business Division Production and Vattenfall's Country Manager for Germany.

"This is a harsh setback for innovation, climate change and the German economy", he added.

Following the rejection of the bill by the Bundesrat on 23 September 2011, a mediation committee was formed, which adjourned twice in November without result.

Vattenfall has emphasised that a clear legal framework is needed and that the existing draft for the CCS law is, without substantial improvement, insufficient for multi-billion investments in further development of this technology.

Nevertheless, Vattenfall will continue further development of CCS. For example, the company is a main partner in UK's largest CCS pilot plant at Ferrybridge Power Station in West Yorkshire that opened 30 November. Vattenfall will also continue the test operation of the CCS pilot plant at Schwarze Pumpe, Germany, and work for the development of a European storage infrastructure.

Vattenfall discloses this information in accordance with the Swedish Securities Market Act.

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