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PRESS RELEASE

Teréga, Enagás, GazelEnergie, and DH2 Energy will cooperate to study the development of the value chain of renewable hydrogen between Spain and France

The gas operators Teréga and Enagás, the renewable hydrogen producer DH2 and the energy group GazelEnergie, have just signed a Memorandum of Understanding regarding the Franco-Spanish Lacq Hydrogen project.

This project will study:

- the production and supply of renewable hydrogen from Spain to France between DH2 and GazelEnergie,
- hydrogen transmission from Spain to France between Enagás and Teréga,
- hydrogen storage and transmission on the Teréga grid to supply hydrogen to GazelEnergie's renewable power plant,
- renewable power production, 100% dispatchable, via a combined cycle power plant operated by GazelEnergie.

Lacq Hydrogen, submitted in response to the Call for Expressions of Interest for "INNOVATIVE PROJECTS OF A EUROPEAN OR NATIONAL SCALE ON THE DESIGN, PRODUCTION AND USE OF HYDROGEN SYSTEMS" in June 2020, as an Important Project of Common European Interest (IPCEI), aims to become one of the European links in the strategic hydrogen value chain, driven by growing demand for green electricity.

Lacq Hydrogen is fully in phase with France's stated ambitions for hydrogen: to build by 2030 a carbon-free, sustainable and international hydrogen sector; and those of the European Union: to produce 10 million tonnes of green hydrogen by 2030 at a competitive price.

Contributing to the carbon neutrality goals sets by the European Union and France, the Lacq Hydrogen project illustrates the ambitious initiatives deployed by industrial companies in favour of green energy.

"As a gas operator and accelerator of the energy transition, the promotion of new gases forms part of our absolute priorities. The cooperation with GazelEnergie, DH2 and Enagás is a major milestone in accelerating the mass development of green hydrogen for Europe and all the regions. We are proud to be contributing to managing this pioneering project within a sector which is making the news, which has a strong potential and which, we are convinced, has a great future." **Dominique Mockly – Chairman and CEO of Teréga** stated.

« Enagás's roadmap, both in the short and long term, is aligned with the European hydrogen strategy and with the entire Spanish energy and climate strategic framework. TSOs, such as Enagás and Teréga, can play a key role in the European decarbonisation process, contributing their experience, know-how and capacity as a systems integrator. Spain is strongly positioned to become a producer and exporter of renewable hydrogen. The Spanish gas network is a crucial long-term infrastructure". **Marcelino Oreja - CEO of Enagás** stated.

"GazelEnergie is an energy producer and supplier activity involved in the energy transition. The deployment of innovative and renewable energies into the heart of the territories is a challenge that we wish to meet. The Lacq Hydrogen project, certainly ambitious, responds to these objectives, and thanks to the cooperation with Enagás, DH2 and Teréga, will enable us to deploy a dispatchable green energy solution." **Jean-Michel Mazalérat – Chairman & CEO of GazelEnergie** stated.

«Lacq Hydrogen is the perfect demonstration of the emerging role of green hydrogen as the cornerstone of fully dependable 100% renewable energy systems. At DH2 Energy we are proud to enable such a project with the very large volumes of competitively priced hydrogen supplied from our solar and electrolysis facilities in Spain.» **Thierry Lepercq, Chairman of DH2 Energy** stated.

About Teréga

Established in South-West France, at the crossroads between major European gas flows, Teréga has shared exceptional expertise for over 75 years in the development of gas transport and storage infrastructure. Today, it continues to develop innovative solutions to overcome the major energy challenges facing France and Europe. A true accelerator of the energy transition, Teréga operates over 5,000 km of pipelines and 2 underground storage reservoirs representing 16% of the French gas transport network and 26% of national storage capacities. In 2019, the company generated revenues of €500 million and had more than 650 employees.

Teréga enjoys a strategic position in Europe, thanks to its interconnections with Spain. Recognising that renewable gas has a vital role to play in the energy transition, Teréga intends to establish itself as an accelerator of this green revolution through increasing its involvement in the biomethane, hydrogen (including Power-to-Gas) and natural gas for vehicles sectors. For more information, visit www.terega.fr.

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About GazelEnergie

Formerly Uniper France, GazelEnergie is a French energy production and supply company, fully-owned by the European public utility group EPH, which operates installations in the electricity, gas and heat sectors in the Czech Republic, Slovakia, Germany, Italy, Ireland, the United Kingdom, France, Hungary and Poland. EPH recorded turnover of 7 billion euros in 2018 and employs nearly 25,000 people. GazelEnergie operates in three sectors: electricity production (with a diversified portfolio of power plants in the Grand

Est and Sud regions of France including biomass, wind and solar farms with a total production capacity of 2,263 MW(e)), electricity and gas supply (20 TWh and 8 TWh respectively) and renewable electricity aggregation. GazelEnergie aims to be a pioneer in the energy transition for the territories, in particular through the development of green hydrogen systems. GazelEnergie wishes to develop its industrial sites to make them regional clean-energy platforms. For this purpose, Gazel Energie owns a site at Os-Marsillon near Lacq in southwest France.

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About DH2

DH2 is a pioneering developer of mass-scale green hydrogen generation projects based in Spain, France and Luxembourg. The company was founded by a team of top renewable energy entrepreneurs aiming at bringing green hydrogen to customers in industry, energy and mobility at the price of fossil fuels (1.5 €/kg) as soon as 2022. The company has 10 GW of projects under development and expects its first permits (solar and electrolysis) in the summer of 2021.

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About Enagás

Enagás is a Transmission System Operator (TSO) with 50 years' experience in the development, operation and maintenance of energy infrastructures operating in eight countries: Spain, United States, Mexico, Chile, Peru, Albania, Greece and Italy. The company has more than 12,000 kilometres of gas pipelines, three strategic storage facilities and eight regasification plants. In Spain, it is the main natural gas transmission company and the Technical Manager of the Gas System.

Enagás is committed to achieve carbon neutrality by 2040 and has a firmly commitment to the decarbonisation process. The company is bounded to the development of projects to promote renewable gases –green hydrogen and biomethane–, sustainable mobility and energy efficiency, among other areas. The company is the world leader in its sector in the Dow Jones Sustainability Index (DJSI), according to the latest edition of this index.

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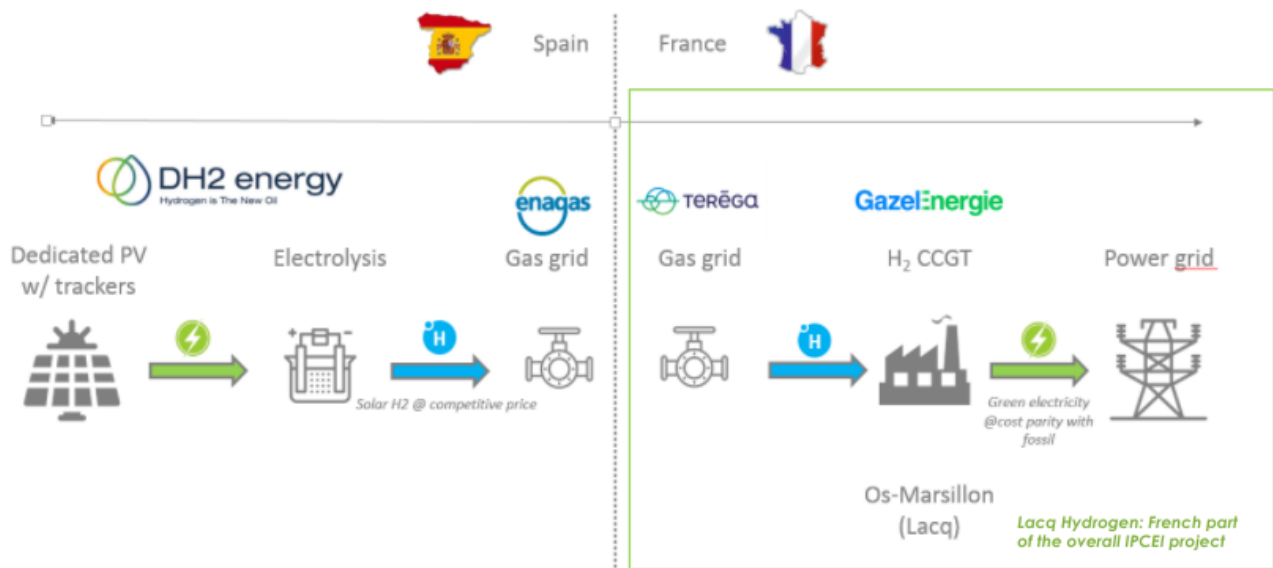
LACQ HYDROGEN PROJECT DESCRIPTION

Lacq Hydrogen: a first step in creating a European hydrogen backbone

As an industrial project anchored in the territories, Lacq Hydrogen is part of the Spanish *Green Crane* project to produce and export renewable hydrogen from Spain. It is one of the first stages, that can be replicated, of building a European Hydrogen Backbone. This vision presented in July 2020 by Teréga, Enagás and 9 other European TSOs operating in nine member States foresees the gradual emergence of a European hydrogen network.

The aim is to deploy 6,800 km of pipelines by 2030 to connect the “hydrogen valleys” and 22,900 km of hydrogen networks across Europe by 2040, 75% of which will be converted natural gas pipelines, connected by new pipeline sections (25%).

Lacq Hydrogen: a sustainable and replicable model, at scale, of European cooperation to support a decarbonised industry



Overview of the IPCEI project

Lacq Hydrogen illustrates the synergies between Spanish and French industrial partners who want to build the sustainable energy models of tomorrow. Hydrogen will be produced by water electrolysis in Spain using solar power and at very competitive prices, thanks to the large solar resource in the region of Aragón. Transmission to the power plant will be provided by the Enagás and Teréga gas networks until hydrogen-dedicated infrastructure is developed. In addition, use of the Teréga aquifer storage is also being planned in order to obtain a 100% dispatchable power plant.

The project will supply a combined cycle power plant built and operated by GazelEnergie and located within the industrial area of Lacq. The plant will be supplied with hydrogen from 2026 and will produce 100% renewable energy, decarbonised and dispatchable, thus preventing the discharge of more than 700,000 tonnes of CO₂ emissions per year.

Lacq Hydrogen: a key opportunity for the industrial revitalisation of the territories

A full part of the “HyDeal Ambition” initiative, Lacq Hydrogen, by teaming up with the suppliers of electrolysers, steel pipes and (hydrogen) gas turbines is an opportunity to support industrial relocation as well as boosting the territories by using French and European technology and innovation, thereby helping to secure thousands of jobs.

Lacq Hydrogen project could therefore create 1,200 permanent direct jobs over the entire chain. During the construction phase, an additional 1,000 jobs may also be created.

The project is being integrated into the “Territoires d’Industrie Lacq Pau Tarbes” initiative. It will thereby contribute to revitalising the Lacq industrial platform, in a decarbonised ecosystem, with high expertise over the entire value chain.