

# STATKRAFT PERSPECTIVES ON RENEWABLE ENERGY IN OPEN MARKETS

## Cohesion fund launch event

13 NOVEMBER 2007, BUCHAREST, ROMANIA  
TERJE MARTIN SLETTEN / COUNTRY MANAGER ROMANIA



**Statkraft**  
PURE ENERGY

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**1.**

**A EUROPEAN  
ENERGY SCENE  
FOCUSING ON  
CLIMATE CHANGE..**

**2.**

**.. COUPLED WITH  
STATKRAFT  
EXPERIENCE IN  
RENEWABLE  
ENERGY IN OPEN  
MARKETS..**

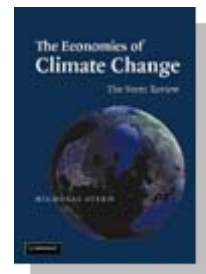
**3.**

**.. IS A SOUND  
FOUNDATION FOR  
GROWTH IN SOUTH  
EAST EUROPE**

# GLOBAL WARMING IS A MAJOR CHALLENGE AND OPPORTUNITY TO THE POWER INDUSTRY



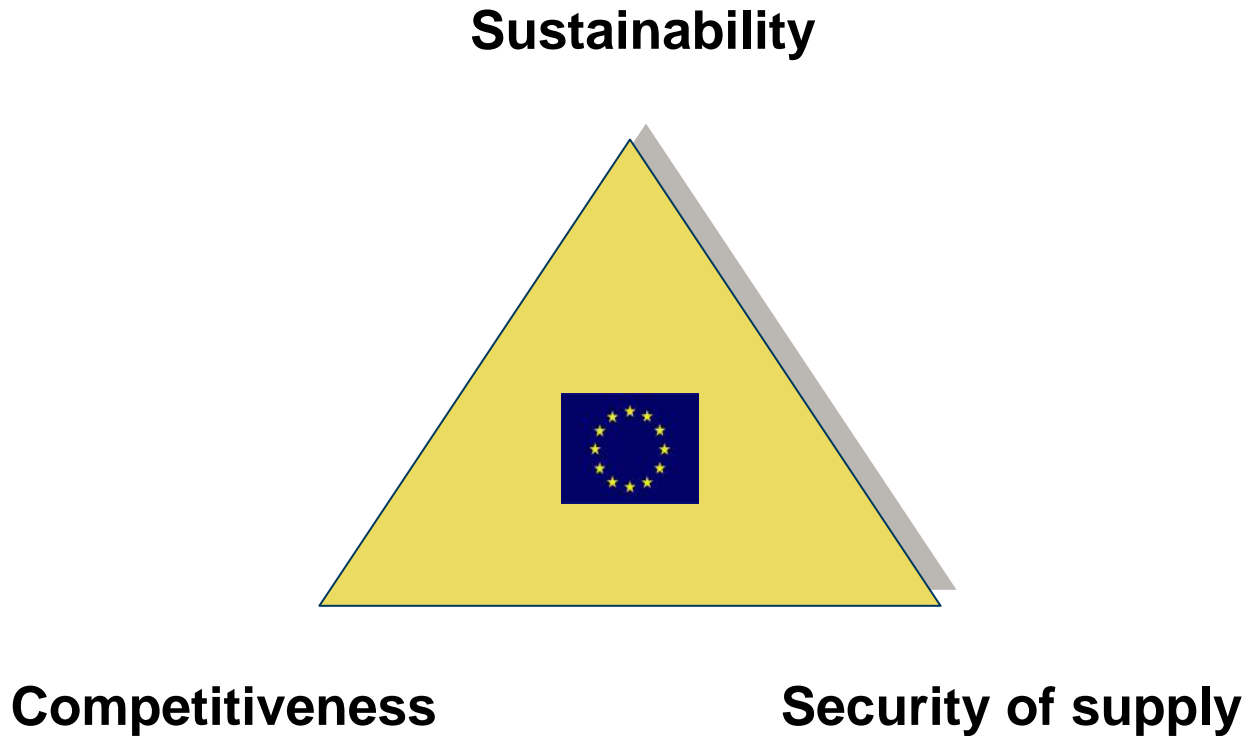
- > Energy related emissions represent 2/3 of all green house gas emissions
- > The power industry is a major emitter and a large part of the solution



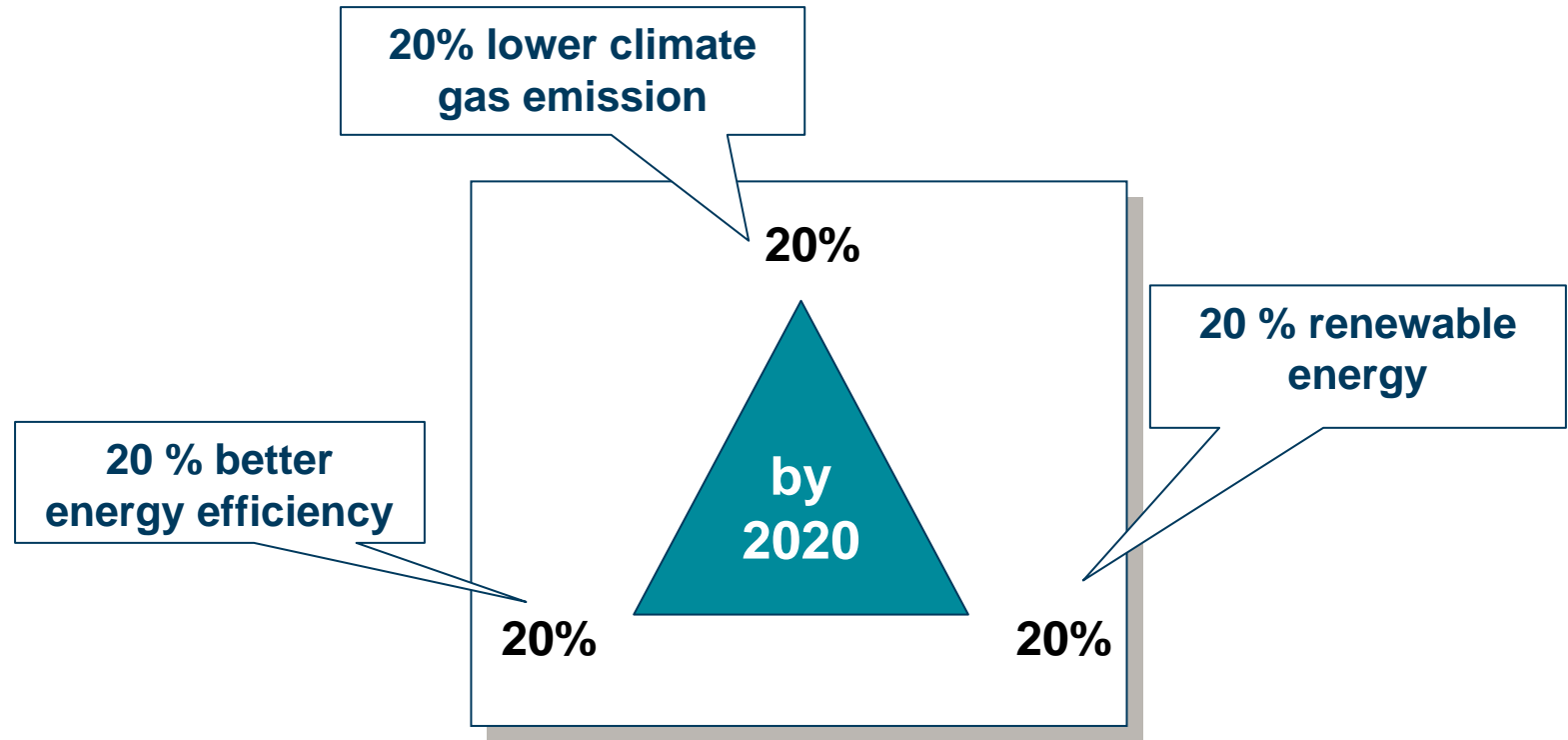
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# A EUROPEAN ENERGY POLICY..

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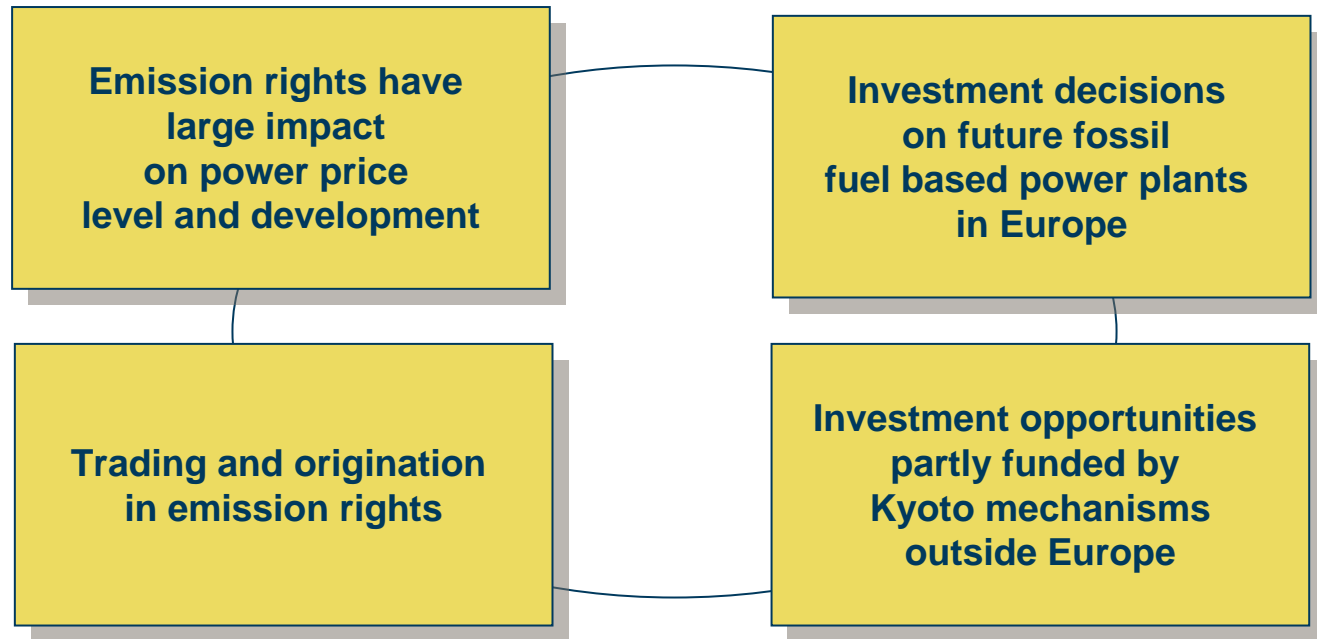


# ..WITH AMBITIOUS POLICY TARGETS



Limiting global climate change to 2° C




# EMISSION TRADING AND THE POWER INDUSTRY

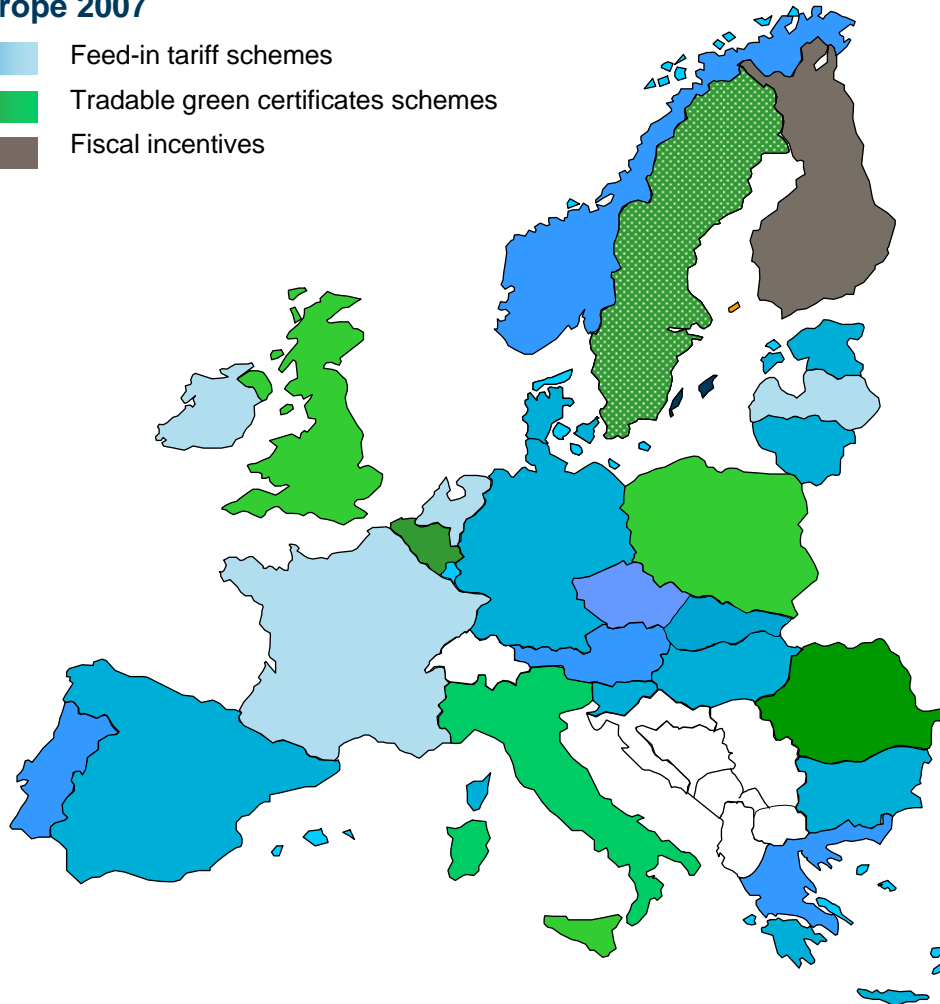


- > Unilateral EU decision to reduce emissions will together with continued EU ETS create a *de facto* global carbon market until 2020
- > Regulatory framework for EU ETS post 2012 will have large impact on investment incentives and energy mix

# MANEUVERING IN THE LABYRINTH OF SUPPORT SCHEMES ...

## Europe 2007

-  Feed-in tariff schemes
-  Tradable green certificates schemes
-  Fiscal incentives

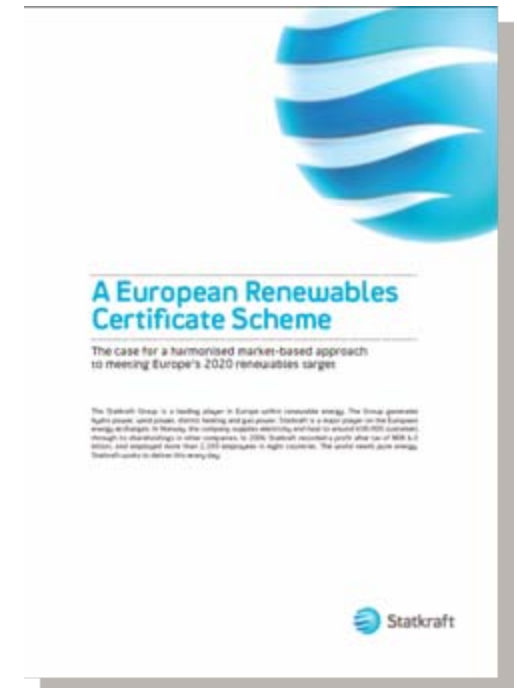


... looking for the best subsidies or the best energy projects?

# A EUROPEAN RENEWABLES CERTIFICATE SCHEME

## The case for a harmonised market-based approach

- > Significantly less expensive and more robust than other policy options
- > Reduced environmental impact of new power generation
- > Supports the further development of the Internal Energy Market through integration and interaction with power and carbon markets
- > Creates European arena for innovation and technology development
- > Improves the investment incentives for investors in renewable energy across Europe



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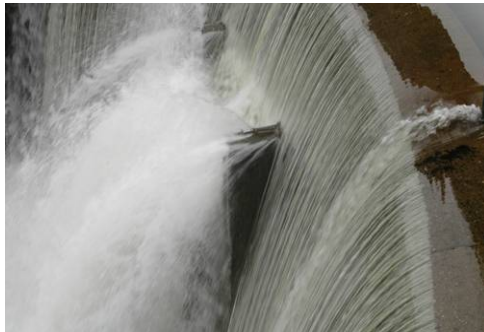
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# GREEN, EUROPEAN AND GROWING



*Hydropower*



*Wind power*



*Gas power*

- > The peak supplier to Europe - most flexible generation and largest reservoir capacity in Europe
- > 15 years experience with liberalised markets, and extensive experience with cross-border European power business
- > Statkraft will inaugurate 1200 MW gas-fired power in Germany and Norway over the next month
- > Building on 100 years of experience with hydropower

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# CORE TECHNOLOGIES AND MARKETS

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## Hydro- power

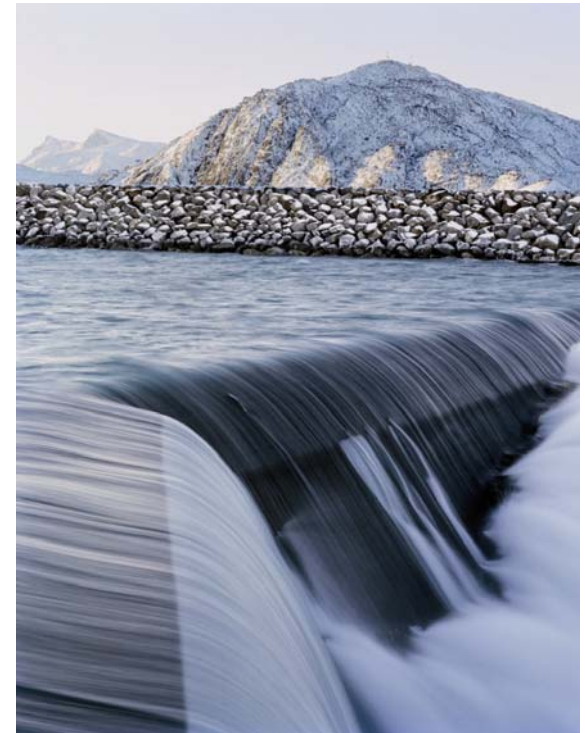
- Nordic countries
- South East Europe
- Globally

## Wind- power

- UK
- Norway

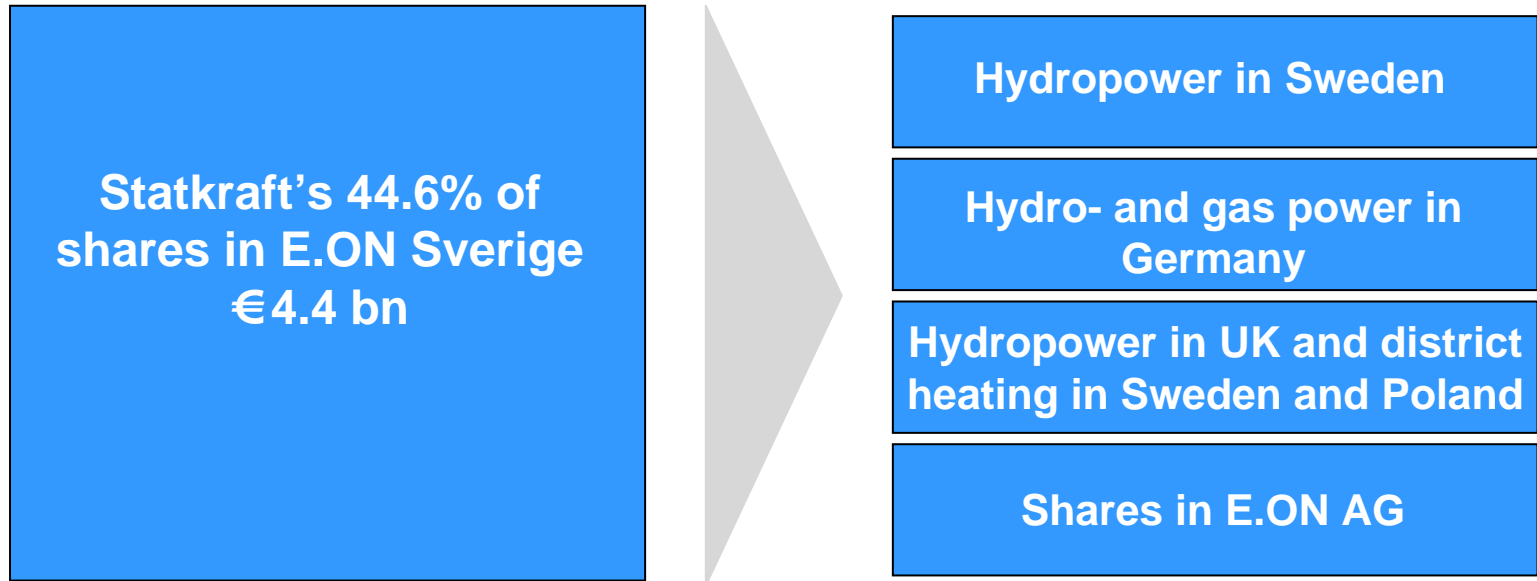
## Gas-fired power

- Norway
- Germany/Netherlands





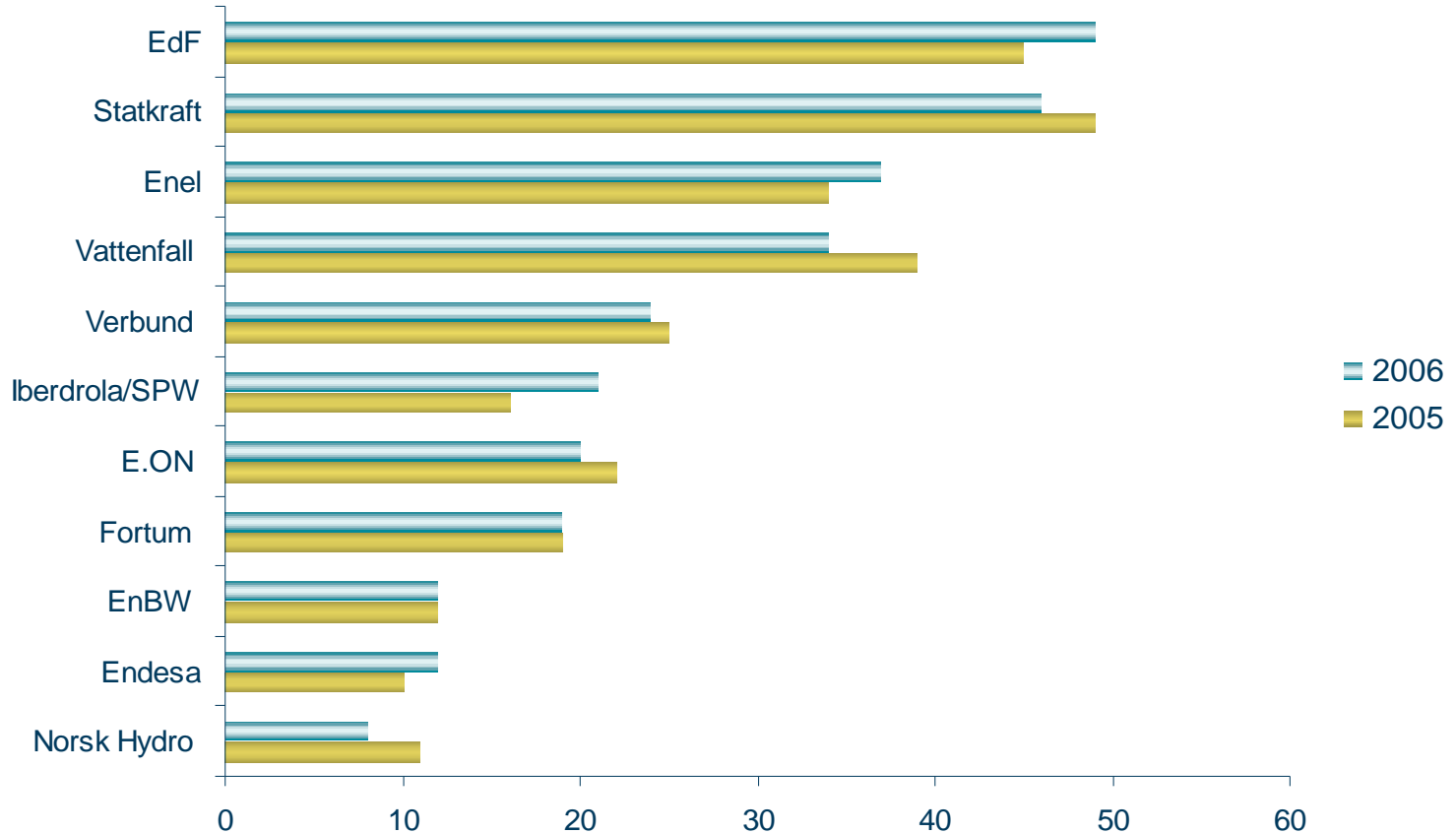
# SWAP WITH E.ON SECURING KEY PRODUCTION ASSETS



- > Statkraft and E.ON have the intention to swap €4.4 bn of assets. A final agreement is expected to be signed during the first quarter of 2008
- > Statkraft will sell its shareholding in E.ON Sverige AB in exchange for flexible power production assets and shares in E.ON AG

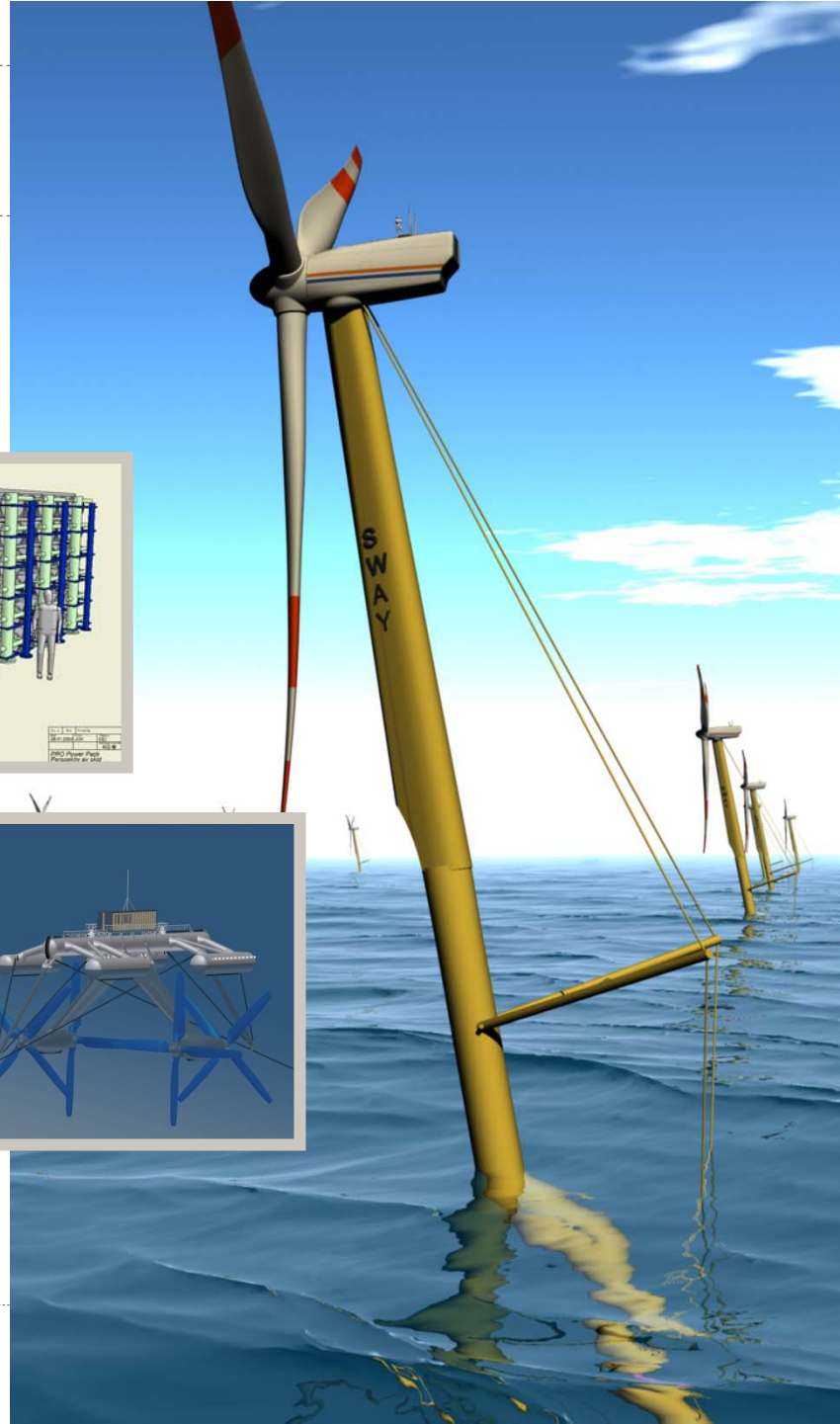
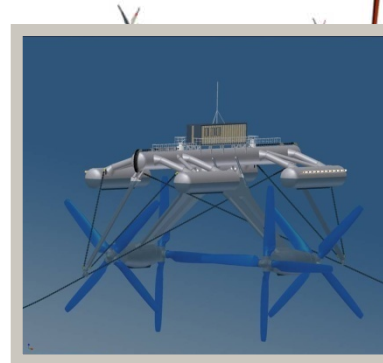
# A LEADER IN RENEWABLE ENERGY

Power generation from wind power and hydropower, TWh



# TECHNOLOGY DEVELOPMENT IS KEY

- OSMOTIC POWER
- OFFSHORE WIND
- TIDAL POWER
- WAVE POWER
- SMALL HYDRO



# ..BUILDING A EUROPEAN PRESENCE

- Head Office in Oslo
- Subsidiaries
- European offices
- Associated companies

- 158 hydropower plants
- ⚡ 3 wind farms
- 🌐 Baltic Cable
- ▲ Gas power

New plants (swap)



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# A GROWING ELECTRICITY MARKET

- > High growth in demand expected
- > Need for new capacity
  - Total generating capacity to increase by ~10 GW by 2015
- > Large potential power market with rapid growth
- > Deregulation and privatization
- > Integration of region and with EU
  - Athens MoU and Treaty
  - Market opening 2008 (Industrial) & full opening 2015



# STATKRAFT SOUTH-EAST EUROPE STRATEGY



**Statkraft's policy is to seek long term partnerships to support profitable and sustainable local and national development:**

- Increase production capacity
- Improve water management regimes
- Improve efficiency of existing plants
- Encourage local development and improve infrastructure
- Improve environmental performance to meet international standards
- Improve return on investments

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# STATKRAFT ACTIVITIES IN THE REGION

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- > Trading at the Power Exchanges
- > Cross-border trading
- > Consider Investments in Power Generation Capacity:
  - Hydro Power Generation
  - Wind Power Generation
  - Gas Fired Power Plants
- > Statkraft Offices in Sofia, Bucharest, Tirana and Belgrade

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# ROMANIA: INVESTMENT OPPORTUNITIES WITHIN HYDROPOWER

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- > Statkraft is interested in investment opportunities within the hydropower sector in the following areas:
  - Completion of unfinished construction projects
  - Rehabilitation of existing plants
  - New greenfield projects
  
- > Building on the existing agreement between The Royal Ministry of Petroleum and Energy of Norway and the Ministry of Economy and Commerce of Romania, to strengthen cooperation within the energy sector, specifically in hydropower generation.
  
- > Statkraft's strategy is to work together with local partners. We seek to discuss opportunities for future collaboration within the hydropower sector with Hidroelectrica and the Ministry of Economy and Commerce.

**PURE**  
ENERGY

**MULTIMESC!**

Thank you for your attention!

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