

VNG Group

A European company from Leipzig



● Gas Import | Gas Wholesale | Energy Services

**Verbundnetz
Gas AG**

The VNG Group

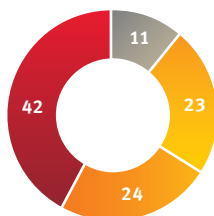
VNG – Verbundnetz Gas Aktiengesellschaft (VNG) is an internationally active natural gas importer with headquarters in Leipzig. The company is the third-largest natural gas importer in Germany and ranks among Europe’s top ten. On the Norwegian Continental Shelf, we are also active as a natural gas producer.

VNG supplies gas mainly to major customers in Germany and, to an increasing extent, in other European countries, too. Subsidiaries and participating interests in other countries also deliver gas direct to household customers. VNG Group companies market gas transport and storage capacities as well as a variety of energy-related services.

Diversification of sources of supply 2008

per cent

- Russia
- Norway
- Germany
- European spot and futures trading



Key Data for the VNG Group 2008

Sales	million €	5,863
Balance sheet profit	million €	96.0
Gas trading		
Gas supply ¹⁾	billion kWh	169.5
Gas deliveries	billion kWh	171.4
Maximum daily sales (Jan. 4)	million kWh	802.0
Minimum daily sales (July 6)	million kWh	246.0
Gas transport²⁾		
Length of pipeline system	km	7,029
Market area (6 German states)	km ²	108,144
Connection points		500
Connected networks		130
Maximum pressure	bar	100
Gas storage		
Gas storage (working gas capacity) ³⁾	billion m ³	2.5
Max. injection rate	million Nm ³ /h	1.4
Max. withdrawal rate	million Nm ³ /h	2.7

¹⁾ 1 m³=11.5 kWh | ²⁾ ONTRAS – VNG Gastransport GmbH | ³⁾ As at: 1 April 2009



Production platform on the Norwegian Continental Shelf | Gas production in Siberia

Natural gas from international sources

VNG has developed a reliable, widely diversified international procurement portfolio for its customers. In 2008, the company purchased some 170 billion kilowatt-hours of natural gas from more than 40 producers and suppliers. Import contracts already in place secure supplies of Norwegian gas up to 2026 and Russian gas up to 2030. Other long-term supplies are provided by internationally active companies from Germany and other countries in western Europe.

Through VNG Norge AS with headquarters in Stavanger, VNG is also active as a producer on the Norwegian Continental Shelf (NCS). By 2019, VNG plans to cover about 10 percent of its gas procurement requirements from this source. Trading hubs in Germany, Belgium, France, the Netherlands and Great Britain are used for optimizing natural gas purchasing, while other procurement options include LNG from North Africa and the Middle East as well as biomethane from renewable sources.

● VNG's commitment as a gas producer, importer, and wholesaler



- Exploration and production
- Sources of supply
- Spot and futures trading
- Import contracts
- Supply
- Spot and futures trading – Trading licence application in progress
- Company holdings
- LNG terminal



LNG tanker off the Italian coast near La Spezia | The VNG trading floor is the nerve centre for gas procurement on European trading platforms.



Natural gas for European customers

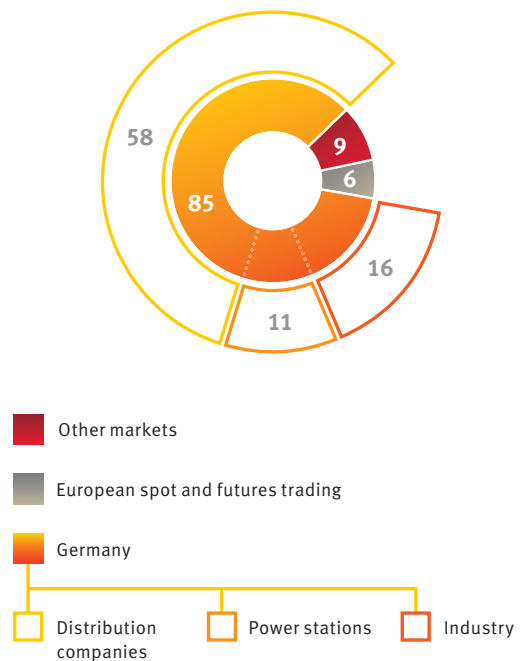
For about four decades, VNG has been supplying natural gas to customers in Germany and maintaining its position in gas-to-gas competition with growing sales volumes. To an increasing extent, VNG also supplies gas to customers in other countries, either direct or via local subsidiaries. VNG currently has gas supply expertise in Poland, Italy, Denmark, France, Austria, Switzerland, the Czech Republic, Slovakia and Luxembourg. Municipal utilities, regional distribution companies, major industrial customers and gas wholesalers can all rely on secure and economical gas supplies from VNG based on balanced, long-term natural gas purchasing, secure transport and storage capacities and the continuous development of VNG's natural gas and biomethane products in line with market requirements and demand.



VNG supplies utilities and regional distributors, major industrial users and power plants in Germany and other European countries.

VNG sales 2008

per cent

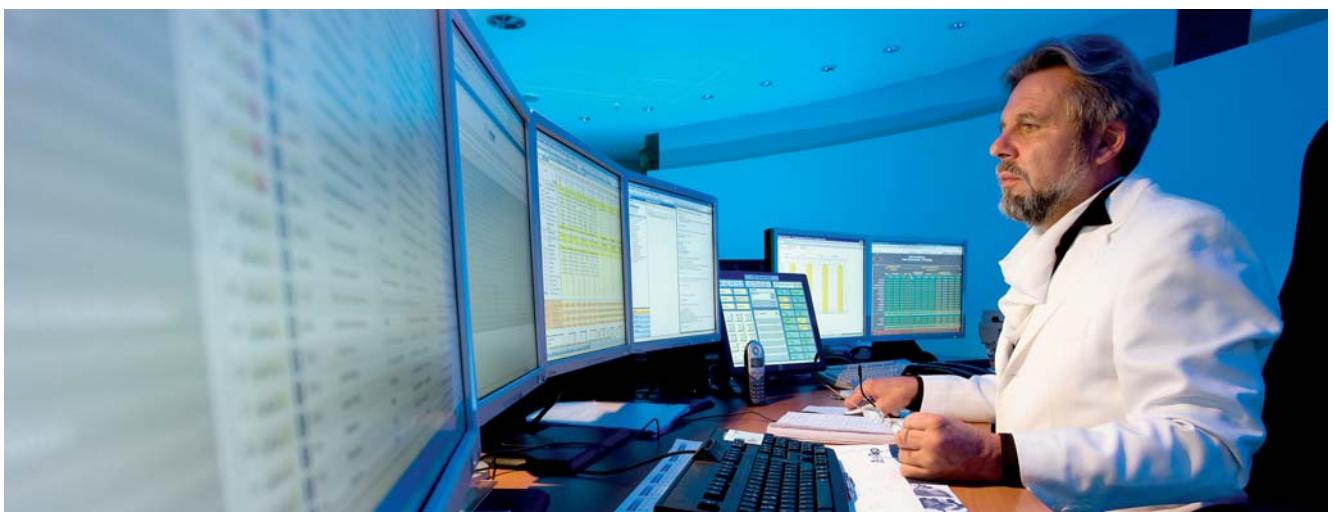


A pipeline system in the heart of Europe

Germany is the hub of natural gas transmission in Europe. Gas from a variety of national and international sources is transported to customers in every direction. Within the VNG Group, ONTRAS – VNG Gastransport GmbH is the independent supraregional transmission system operator responsible for marketing capacities on the VNG gas pipeline system, with a total length of about 7,000 kilometres, and also offers the associated logistical services.

Capacities on the storage market

VNG owns and develops underground gas storage facilities with a current working gas capacity of about 2.5 billion cubic metres, enough to supply gas to a million homes for more than twelve months. In the next few years, VNG plans to expand the capacity available by a further billion cubic metres. These capacities, which are accessible to all market participants, not only reinforce security of supplies. Flexible injection and withdrawal possibilities also provide further impetus for gas trading throughout Europe.



Contract Dispatcher Bodo Pientka from ONTRAS at his workplace in the dispatching center.



Intelligent pipeline management in the form of complete solutions is a core competence and primary service offered by the Operations/Technology division of VNG.



Ute Scholz (Head Officer, Commercial and Industrial Gas Utilization, VNG) in discussions on the shop floor with Dieter Bardölke (Process, Measuring, and Control Technician at H.E.S. Hennigsdorfer Elektrostahlwerke GmbH, a RIVA Group business)

Support for customers in a competitive market

Nowadays, gas customers are not just interested in buying gas. They also want advice on efficient distribution and use. This is why VNG not only sells gas but also offers economical, environmentally compatible solutions. We advise distribution companies and industrial customers on the optimization of natural gas use for heating and also provide marketing and sales communications support to municipal utilities with a view to reinforcing and improving the position of natural gas in the energy mix. Network operators can draw on the technical expertise of VNG for the design, construction, operation and maintenance of gas systems and facilities. VNG's commitment to applied research and development projects means that customers can always benefit from the latest technological developments.

Responsible corporate citizenship

As good corporate citizens, VNG and its subsidiaries in Germany and abroad are committed to the future of the regions in which they are active. As employers and contractors, we want to stimulate sustainable growth. It is also important to us to allow society to share in our success. That is why we promote social projects, and foster science and education, culture and sport.

As a company with international business partners and foreign subsidiaries, we want to establish ties across geographic borders and jointly promote sustainable development. The “VNG Campus” initiative, for example, encourages and supports cooperation between universities, research and education institutions in Germany, Norway, Poland, Russia and the Czech Republic with regard to the energy industry. VNG is involved in Deutsch-Russisches Rohstoff-Forum e. V. (German-Russian commodities forum), participating in the dialog on sustainable international resource management. The forum was founded in 2006 by the two oldest mining universities in the world – Technische Universität Bergakademie Freiberg (Germany) and Saint Petersburg State Mining Institute (Russian Federation). The goal of the platform is to contribute to the development of strategies for effectively using fossil, mineral, and alternative raw material resources.



The memorandum founding the German-Russian commodities forum in October 2006 is signed by (from left) Sergej Fursenko, General Director of OOO Lentransgaz (OAO “Gazprom”), Vladimir St. Litvinenko, Rector of the Saint Petersburg State Mining Institute, Prof. Dr. Georg Unland, former rector of TU Bergakademie Freiberg, and Prof. e. h. Dr.-Ing. Klaus-Ewald Holst, Chairman of the VNG Executive Board, in the presence of the President of the Russian Federation Vladimir Putin and the German Chancellor Angela Merkel (at back). | Teaching at Technische Universität Bergakademie Freiberg.



www.verbundnetz-der-waerme.de



www.verbundnetz-fuer-demokratie-und-toleranz.de



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www.vng-campus.de



Rohstoff-Forum
Российско-Германский сырьевой форум
www.rohstoff-forum.org

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★ ★ Partners in energy.



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Angenehm,

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