

Media Release

Equinor and VNG extending cooperation to hydrogen, ammonia and carbon capture

Stavanger/Leipzig, July 4, 2022. Norwegian company Equinor, a broadly based energy company, and German gas company VNG AG have agreed to extend their existing cooperation in natural gas into the new areas of low-carbon hydrogen and ammonia as well as in carbon capture, utilization and offshore storage of CO₂ (CCU and CCS). The partners have also agreed to establish a joint project to evaluate options for producing low-carbon hydrogen on the Baltic Sea coast, specifically in Rostock, using technologies to capture, utilize or transport and safely store CO₂ offshore at an industrial scale. This extended collaboration between Equinor and VNG should also be viewed in the context of the ongoing strengthening and broadening of the 45 years long German–Norwegian energy partnership – supported by the heads of governments of both countries.

Key project elements are:

- Direct imports of low-carbon hydrogen and low-carbon ammonia from Norway for the German hydrogen market.
- Planning, building and operating a Gigawatt scale plant in Rostock, with a projected annual hydrogen production capacity in excess of 230.000 tons, corresponding to 8 to 9 TWh or nearly 20 percent of the current German hydrogen market.
- Carbon footprint reduction of low-carbon hydrogen by more than 95 percent compared to hydrogen without CO₂ capture and storage
- Separation and liquefaction of nearly two million tons CO₂ annually from the hydrogen production.
- Shipping of the liquefied CO₂ from Rostock for permanent and safe storage offshore Norway.

The project will be an enabler for:

- A hydrogen and carbon hub in the Rostock area and therefore add value locally and regionally in East Germany.
- Development and repurposing of up to 400 km pipeline for hydrogen between Rostock, Berlin and industrial clusters around Leipzig (IPCEI project “doing hydrogen”) – eventually connecting to the national hydrogen grid.
- Scale-up hydrogen storage in large salt caverns of underground gas storages in Bernburg and Bad Lauchstädt in Saxony-Anhalt providing flexibility and security of hydrogen supply.
- Supply hard-to-abate industries with low carbon hydrogen – reducing CO₂ emissions from existing unabated use of fossil fuels by millions of tons annually.
- Provide base-load supply of large amounts of low-carbon hydrogen, bridging and complementing increasing renewables-based hydrogen supply.



The partners agree that hydrogen from decarbonized natural gas will play an important role in the development and scale-up of a hydrogen market in Germany. The production of low-carbon hydrogen in Germany and the management of carbon dioxide opens opportunities for economic development.

Irene Rummelhoff, EVP Marketing, Midstream and Processing, Equinor:

“We are pleased to be expanding our long-lasting partnership with VNG into developing the German market for low-carbon hydrogen and carbon management solutions in support of the German energy transition. VNG and Equinor have complementary skills, strengths and positions which are decisive for the success of the project.”

Ulf Heitmüller, CEO of VNG AG:

“We are very happy to take the next step towards a secure and climate friendly energy system with our long-standing partner Equinor. We need industrial scale solutions in hydrogen and carbon management. By jointly developing the market for natural gas in Eastern Germany in the 1990-ies the partners already made a significant contribution to the reduction of CO₂ emissions and the improvement of air quality moving away from traditional lignite heating systems to natural gas. Now we are taking another significant step ahead with hydrogen and carbon management.”

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About Equinor

Equinor is an international energy company headquartered in Norway. The company employs around 21,000 people worldwide. Equinor is Europe's second largest gas supplier with a market share of around 20 percent. Equinor is already one of the world's most CO₂-efficient producers of oil and gas. Equinor leverages strong synergies between oil, gas, renewables, carbon capture and hydrogen. The company has a growing portfolio in offshore wind with wind farms in Europe and the USA and is involved in various hydrogen projects throughout Europe. More at www.equinor.com.

About VNG

VNG is a group of over 20 companies active in the European energy industry with a broad, future-oriented portfolio of products and services in gas and infrastructure, and more than 60 years of experience in the energy market. The Group with its headquarters in Leipzig has a workforce of around 1,500 people and generated billed revenue of approximately EUR 18.5 billion in the 2021 financial year. VNG concentrates on four links in the gas value chain: Trading & Sales, Transport, Storage and Biogas. Building on its core expertise in the gas business, the Group's 'VNG 2030+' strategy places an increased focus on new business fields. These include green gases and digital infrastructure. More at www.vng.de.

VNG AG

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