

PRESS RELEASE

German-Algerian hydrogen partnership: VNG to collaborate with Algerian energy company Sonatrach on green hydrogen

Algiers/Leipzig, 20 December 2022. German gas group VNG AG (VNG), based in Leipzig, and Sonatrach, an Algerian state-owned energy company based in Algiers and the largest company in Africa, intend to join forces in ramping up a German-Algerian value creation chain for green hydrogen. To this end, both companies today signed a memorandum of understanding at the fourth German-Algerian Energy Day in Algiers (Algeria). The aim is to jointly examine possibilities for the realisation of long-term hydrogen and ammonia projects with a view to importing green hydrogen from Algeria to Germany in the future.

“Hydrogen is set to be a key component of our energy future. Large amounts will have to be imported, however, to satisfy the demand for hydrogen in Germany. Green hydrogen from Algeria could play an important role here as the potential in this respect is huge. So I’m delighted that today we have laid an important foundation with Sonatrach for ramping up the German-Algerian hydrogen industry,” explains Hans-Joachim Polk, member of the VNG Executive Board.

“Sonatrach is part of Algeria’s national hydrogen roadmap, which aims to kick off pilot projects by 2030. The international infrastructure connection between Algeria and Europe that can be used for transporting green hydrogen and the availability of solar energy potential enables us to pursue a long-term strategy for realising green hydrogen projects at competitive cost. Today we are signing a memorandum of understanding with a recognised strategic partner in the emerging hydrogen sector to examine long-term collaboration on joint commercial hydrogen projects,” says Fethi Arabi, member of the Sonatrach Executive Board.

Initially, VNG and Sonatrach intend to work together on associated financial/technical issues, for example concerning the hydrogen infrastructure and the potential for joint commercial hydrogen projects. “Sonatrach and VNG share considerable ambition when it comes to establishing the hydrogen economy. Our collaboration will help us to learn together and to work on realising a supply partnership in the long term. Our well-developed gas infrastructure will also play an important future role in the hydrogen ramp-up,” says Polk. Through its independent subsidiary ONTRAS Gastransport GmbH (ONTRAS) and storage subsidiary VNG Gasspeicher GmbH (VGS), VNG has important assets for expanding the hydrogen infrastructure in eastern Germany.

About VNG

VNG is a group of over 20 companies active in the European energy industry, employing more than 1,500 people. As the third largest gas importer and gas storage operator in Germany and operating, through subsidiary ONTRAS Gastransport GmbH, a pipeline network covering 7,700 km, the group, which is headquartered in Leipzig, is central to the secure supply of gas in Germany. VNG supplies gas to around 400 municipal utilities and industrial customers, meeting around 20% of Germany’s demand for gas. In addition, with the “VNG 2030+” strategy, VNG is pursuing an ambitious path for its commitment in the field of renewable and decarbonised gases. VNG is already one of the leading producers of biogas in Germany and is actively involved in many projects to establish a CO₂-free hydrogen economy. Building on its core expertise in gas and critical infrastructure, VNG is working along the entire gas value chain to ensure a sustainable, climate-neutral and secure energy supply for the future. More at www.vng.de.

About Sonatrach

More information at: www.sonatrach.com.