



SWISSGAS 

FLUXYS 

Press release Transitgas

Transitgas welcomes Fluxys as shareholder

The shares in Transitgas AG, the operator of the natural gas pipeline through Switzerland, that were formerly owned by the Italian energy group Eni, have been acquired by the Belgian natural gas transmission infrastructure group Fluxys through its recently established subsidiary FluxSwiss in Lugano. The shareholding of Swissgas in Transitgas AG remains unchanged at 51 percent. The supply to Switzerland through this main artery, and the continuity of operation, are therefore assured without change. The new partner, Fluxys, owns and operates infrastructure for transmission and storage of natural gas, as well as terminalling of liquefied natural gas, in Northwest Europe. In a next phase, the Transitgas pipeline, as well as the upstream and downstream systems, will be modified to allow natural gas to be transported not only from north to south, but also in the opposite direction. This will provide a broader base for the availability of natural gas in Switzerland.

"Transitgas is of crucial importance for the supply of natural gas to Switzerland and essentially its vital artery", explained Christoph Stutz, Chairman of the Board of Directors of Swissgas, at a press conference in Berne. "Fluxys is our partner of choice as shareholder in Transitgas. Because of their similar shareholder structures with a strong representation of public companies, Fluxys and Swissgas have much in common in their business understanding." The main function of the Transitgas pipelines is to transport natural gas from the north (predominantly the Netherlands and Norway) to Italy. At the same time, they also cover most of the demand for natural gas in Switzerland. Up to five times as much natural gas can be transported as Switzerland consumes. With its capacity of transporting an amount of energy equivalent to the output of up to 20 nuclear power stations, the pipeline is a key component of the European natural gas system.

Following an agreement with the authorities of the European Union, the Italian energy group Eni, which since the foundation of the company and construction of the pipeline in 1974 was formerly the second-largest shareholder of Transitgas, has sold its shareholdings in three cross-border European transit pipelines.

Improve connections between natural gas markets

"Becoming partner in Transitgas is a huge step forward for Fluxys in implementing our strategy of investing in key gas infrastructure assets in Western Europe to connect markets, foster security of supply and support deeper market liquidity", emphasised Walter Peeraer, Managing Director of the Fluxys group. Together with the other natural gas infrastructure of Fluxys, Transitgas will contribute to offering a system for moving natural gas flexibly to the customer from any border point in Western Europe. "Through our tentacular system, Swissgas has a wide range of options to diversify supply sources if needed. We provide two alternative routes for Norwegian gas into Switzerland, and a wide range of sources of liquefied natural gas sources is also available through our system. For the last 25 years we

have had our own terminal for receiving LNG in Zeebrugge. Moreover, the future Dunkirk LNG terminal in France will be connected to our system and, through our interconnection with the Dutch grid, natural gas from the recently commissioned Rotterdam Gate LNG terminal will be made available as well. The three terminals jointly represent an annual capacity of over 30 billion cubic metres of natural gas."

Natural gas transit also from south to north

Further possibilities are also presented by optimisation of the Transitgas pipeline and the upstream Trans Europe Natural Gas Pipeline (TENP). "As a Transitgas shareholder, we are keen to develop the full potential of the pipeline. We are committed to investing in the project to enable south-to-north flows and will team up with the Italian and German gas system operators SNAM and Open Grid Europe to facilitate the project." This will then allow natural gas also to be transported through Italy into Switzerland and to Western Europe.

Long-term goals for even more supply security

"The bottom line for Fluxys is to be a profitable enterprise of general economic interest", Peeraer emphasised. The group, which is 80% owned by Belgian municipalities, is pursuing with a long-term perspective a cross-border approach based on partnerships to contribute to security of supply and market liquidity.

Berne, February 27, 2012

Download all documents: www.erdgas.ch/transitgas

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Transitgas

In 1974, Transitgas AG constructed the pipeline that transports natural gas from the German border at Wallbach, in the canton of Aargau, and since 2011 also from Rodersdorf in the canton of Solothurn, through Switzerland to the Italian border on the Gries Pass. The main shareholder of Transitgas AG is Swissgas, with a holding of 51%. Through its subsidiary FluxSwiss, Fluxys has acquired 46% of Eni, while E.ON Ruhrgas retains its 3% shareholding. The transport capacities of over 18 billion standard cubic metres of natural gas annually are leased long-term to the two partners FluxSwiss and Swissgas. Transitgas employs 53 people in Switzerland. Today, the underground pipeline system comprises 293 km of pipelines, of which 132 km have a diameter of 120 cm and 161 km a diameter of 90 cm. It also crosses mountains in its own tunnels. Transitgas also operates a compressor station at Ruswil, in the canton of Lucerne, which increases the pressure for the further transport to around 70 bars.

Swissgas

The Swiss public limited company ("Aktiengesellschaft") Swissgas procures on a non-profit basis natural gas on behalf of the four regional Swiss gas distribution companies Gasverbund Mittelland, Erdgas Ostschweiz, Gaznat and Erdgas Zentralschweiz. They all bundle the natural gas requirements of the numerous local natural gas distributors in Switzerland and also supply these on a non-profit basis. To fulfil its task, Swissgas operates its own high-pressure pipelines in Switzerland, is a shareholder in the transit pipeline through Switzerland, and owns transport rights abroad. Through a shareholding in Bayerngas Norge AS, Swissgas is also involved in natural gas production in Norway.

Fluxys

As a transmission infrastructure company operating on the Western European natural gas market, the Fluxys group contributes to security of supply and market liquidity by promoting cross-border natural gas flows and transfers. In Belgium, the Fluxys group builds and operates infrastructure for natural gas transmission, natural gas storage and terminalling of liquefied natural gas. Elsewhere in Western Europe, the company develops a set of industrial partnerships as well as stakes in companies in the business of natural gas transmission and in liquefied natural gas regasification terminals. Safety, efficiency, sustainability and profitability are at the centre of its approach. The main shareholder with an 80% holding is Publigas, a group venture company of Belgian municipalities. A 20% share is owned by the financial institution Caisse de dépôt et placement du Québec. Fluxys employs around 1,100 people, mainly in Belgium, of whom 15 are now also in the recently established FluxSwiss AG in Lugano (former Eni subsidiary). The shareholders' equity of the Fluxys group amounts to 1,534 billion euros, revenue in 2010 was around 680 million euros.

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