

PRESS RELEASE

Eurogas General Assembly - Prague, 11th June 2004

Simon Lewis succeeds Pierre Gadonneix as President

Eurogas opens to new members

Today in Prague, the Eurogas General Assembly elected Simon Lewis of Centrica plc as its new President, succeeding Pierre Gadonneix, President of Gaz de France.

Following the adoption of new statutes aimed at opening the Association to new players, a reform initiated by the outgoing President, Eurogas now has members from 21 countries, representing major gas companies and national associations, including four new Member States.

In his inaugural address to the Assembly, the newly elected President started by paying tribute to Pierre Gadonneix's reforms, which came to fruition at the Assembly. He then went on to speak of the legal, regulatory and practical challenges facing the organisation's members as the EU Energy Directives are implemented in Member States.

"Against a background of significant changes in legal and regulatory frameworks, as well as in the organisation of our sector, our first task is to ensure that the European gas industry continues to function effectively in the best interests of all our stakeholders."

He also stressed the need to ensure primary and secondary legislation is well drafted, smoothly implemented and supportive of effective European gas markets, and that regulation needed to be appropriate and focus on the right issues without being over-intrusive in areas which would be better left to market forces.

"Speaking from our own experience in the UK, the 'devil is often in the detail', he said, "and we in the industry are often best placed to judge what is practically feasible and the responsibility therefore falls on us to ensure that new laws and regulations reflect the operational realities of the gas business."

He went on to note recent political concerns in relation to security of supply, the EU's increasing reliance on gas from areas such as Russia, the Middle East and North Africa and the fact that gas-fired plant is increasing its share of total power generation.

"It is therefore critical to maintain the right climate for further major investment – not just in gas transmission and distribution grids, but also in storage facilities, LNG reception terminals, interconnector pipelines and other relevant infrastructure. Amongst other things the industry will need clarity, at the earliest possible stage, on the way in which such long-term investments will be encouraged in future by authorities."

To address this, Lewis vowed to cement relationships with the new EU Commission and MEPs and to position Eurogas as the authoritative voice on gas matters in Europe.

Moving to the virtues of gas as a sustainable fuel, he explained that it offers a unique contribution to sustainable development and is an effective, low polluting, source of energy.

“As we are all aware, environmental factors are of growing importance for the future role of gas in the European energy mix. In principle, a market-based Emissions Trading Scheme from January 2005 should be good for gas-fired generation, since it produces less CO₂ than other fossil fuels.”

However, he warned that, in practice, what impact it would have is unclear because the first phase National Allocation Plans are fairly lenient on solid fuel plant and because the current level of wholesale gas prices – driven by exceptionally high crude oil prices – may mitigate against the economics of further early investment in gas-fired capacity.

Finally, in outlining the symbolic value of holding the General Assembly in Prague, Lewis said that Eurogas will pay special interest to the new EU Member States and spoke of his confidence that Europe’s gas industry will successfully respond to the challenge of supplying the enlarged EU, with a market of 450 millions citizens.

The outgoing President, Pierre Gadonneix, who was President of Eurogas from 2000 to 2004 will remain active as Member of the Eurogas Board.

Eurogas is the European Union of the Natural Gas Industry representing the European natural gas industries of 21 countries towards the EU, all other relevant international institutions and stakeholders.

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APPENDIX I

The Eurogas General Assembly elected a new Presidency:

New President: Mr. Simon Lewis - **Centrica plc**

Senior Vice-President: Mr. Enrique Locutura – **Gas Natural SDG**

Vice-Presidents:

- Mr. Burckhard Bergmann – **Ruhrgas AG** (E.ON Ruhrgas from July 2004)
- Mr. Willy Bosmans - **Electrabel / Distrigas**
- Mr. Domenico Dispenza - **ENI Group**

Past President: Mr. Pierre Gadonneix – **Gaz de France**

The Eurogas General Assembly elected a new Board:

College A (Company Members)

Mr. Burckhard Bergmann	Ruhrgas AG (E.ON Ruhrgas from July 2004)
Mr. Willy Bosmans	Electrabel / Distrigas
Mr. Eric Défago	Swissgas
Mr. H.G. Dijkgraaf	N.V. Nederlandse Gasunie
Mr. Domenico Dispenza	ENI Group
Mr. Anders Eldrup	DONG A/S
Mr. David Fitzsimmons	BP
Mr. Pierre Gadonneix	Gaz de France
Mr. Antero Jännes	Gasum Oy
Mr. Simon Lewis	Centrica plc
Mr. Enrique Locutura	Gas Natural SDG
Mr. V. Tsombanopoulos	DEPA

College B (Federation Members)

Mr. Rudolf Gruber	Fachverband er Gas- und Wärmeversorgungsunternehmen
Mr. Josef Kastl	Czech Gas Union
Mr. Jan Korff	EnergieNed
Mr. Sándor Lazlo	G-E – Hungarian Association
Mr. Antonio Llarden	Sedigas
Mr. Gustaf Malmberg	Swedish Gas Association
Mr. Daniel Paccoud	Association Française du Gaz
Mr. Walter Peeraer	FIGAS
Mr. Wolf Pluge	BGW

APPENDIX II

EUROGAS Membership (from 11th June 2004)

- Association Française du Gaz – AFG (F)
- Association Suisse de l'Industrie Gazière – ASIG (CH)
- BGW (D)
- Bord Gais Eireann (IRE)
- BOTAS (TK)
- BP (UK)
- Bulgargaz (BUL)
- Centrica plc (UK)
- Czech Gas Union (CZ)
- DEPA (GR)
- DONG A/S (DK)
- Electrabel / Distrigas (B)
- Energiened (NL)
- ENI S.p.A. (I)
- Fachverband der Gas- und Wärmeversorgungsunternehmen (A)
- FIGAZ (B)
- Finnish Natural Gas Association (FIN)
- GasNatural SDG (E)
- Gasum Oy (FIN)
- Gaz de France (F)
- G-E Association of Gas Distribution Companies (HU)
- HNG (DK)
- N.V. Nederlandse Gasunie (NL)
- Polish Oil and Gas Company (POL)
- Ruhrgas AG (D - E.ON-Ruhrgas from July 2004)
- SEDIGAS (E)
- SPP (SK)
- Swedish Gas Association (S)
- Swissgas (CH)
- Transgás Grupo (P)