

PRESS RELEASE

Eurogas views on energy taxation and other penal measures in central Europe

EUROGAS President Mr. Jean-François Cirelli, Vice Chairman and President of GDF SUEZ, sent a letter to Commissioner Oettinger, raising at a formal political level the problems that some EUROGAS member companies face regarding current events that are dramatically affecting foreign energy investors in Hungary, Romania and Slovakia.

Similar letters have been sent to the Prime Ministers of Hungary and Slovakia and to the Romanian President.

The letter is circulated with the current press release.

Eurogas is a Brussels based non-profit making organization and has the following members:

Asociación Española del Gas – SEDIGAS (ES), Association Française du Gaz – AFG (FR), Bulgargaz *(BG), Bord Gáis Éireann – BGE (IE), BOTAS*(TR), BP plc (UK), Bundesverband der Energie - und Wasserwirtschaft e.V. – BDEW (DE), Centrica plc (UK), Czech Gas Union – CPU (CZ), DEPA (GR), DONG Energy A/S (DK), E.ON Ruhrgas AG (DE), Edison (IT), Electricité de France (FR), EGL AG (CH), Energigas Sverige (SE), EnergieNed (NL), ENI Distrigas (BE), ENI S.p.A. (IT), ENOVOS Luxembourg S.A. (LU), European Gas Research Group – GERG (EU), Fachverband der Gas- und Wärmeversorgungsunternehmen – FGW (AT), Febeg (BE), Galp Gás Natural s.a. (PT), Gas Natural Fenosa (ES), GasTerra (NL), Gasum Oy (FI), GDF SUEZ (FR), GAZBIR* Natural Gas Distribution Companies Association of Turkey (TR), Geoplin d.o.o. (SI), HMN Naturgas (DK), IZGAZ*(TR), Latvijas Gaze* (LV), Lietuvos Dujos * (LT), Marcogaz* (EU), MGE – Hungarian Gas Association (HU), Naftogaz of Ukraine* (UA), OMV Gas and Power GmbH (AT), Polish Oil and Gas Company – PGNIG (PL), Romgaz*(RO), Russian Gas Society*(RU), RWE Supply & Trading GmbH (DE), Slovak Gas Industry – SPP (SK), South Hook Gas Ltd (UK), Swiss Association of Gas Industry (CH), Swissgas (CH), Total S.A. (FR), Verbundnetz Gas AG – VNG AG (DE). * Associate Members

Commissioner Oettinger
European Commission
1049 Brussels

10L877

Brussels, 10 December 2010

Dear Commissioner,

On behalf of Eurogas members I wanted to draw your attention on growing concerns about the situation of energy regulation in Hungary.

European countries are currently facing difficult economic conditions. In this context, the government of Hungary has taken harsh measures against energy operators: tough and unfair decisions have been implemented at regulatory and political level, having detrimental consequences on the energy operators active in these countries.

This situation, if it was to remain as it is, will hamper investments in these countries especially in a context where the local regulatory bodies took restrictive measures oriented explicitly towards other European companies. The consequences would be damaging on the long term.

EUROGAS thinks that a proper and effective implementation of internal market legislation is a necessity to achieve a robust and secure EU Energy market. The basic structures for a more integrated market have been defined in the European Union, such as improved institutional arrangements, emphasis on market mechanisms, and properly unbundled companies activities. Consequently, EUROGAS wishes to draw the European Commission's attention on inappropriate implementation of regulation rules in Hungary, as well as lack of transparency of the national regulatory bodies.

EUROGAS is aware of the complexity that Hungary, along with other countries, is facing in the short term. Nevertheless it wishes to underline how convergent are the interests of States, economic actors, which include energy operators.

Therefore EUROGAS asks the European Commission to ensure a fair implementation and application of regulation throughout Europe, notably Hungary, Romania and Slovakia. It also invites the Commission to encourage, where appropriate, governments to open discussions with energy operators, in order to establish a longer term visibility and stability in both the legal and financial framework. A reasonable and fair remuneration of the business for EUROGAS' members should be the normal basis of the business activities.

If such conditions are not fulfilled, EUROGAS is very concerned about the continuing attractiveness of these countries regarding international investors and, regarding the gas sector in particular, on their security of supply on the long run.

Sincerely Yours,



Jean-Francois CIRELLI
President of EUROGAS