

08/11/05

RWE npower buys Great Yarmouth Power Ltd

The integrated energy company RWE npower today announced the purchase of Great Yarmouth Power Ltd (GYPL) from BP UK Power Holdings Ltd, a subsidiary of BP plc.

GYPL owns the 420 MegaWatt (MW) Combined Cycle Gas Turbine power station at Great Yarmouth in Norfolk.

The company will be purchased for a total consideration of £155m and will be acquired free of long-term gas supply and power off-take agreements. The Power Station comes with a Carbon Dioxide emissions allowance under the rules of the EU Emissions Trading Scheme (phase 1).

Great Yarmouth Power Station was commissioned in 2002 and is one of the UK's most modern stations. It is well located, highly efficient and flexible, with the ability to start up and shut down quickly and reliably in response to changing demand. The power station generates enough power to supply a third of a million homes.

Andrew Duff, Chief Executive of RWE npower, said: "This is a valuable addition to our diverse power station portfolio. It will increase the proportion of low carbon dioxide power we can generate and makes sound financial sense in the current market. Investing in new build power plant, however, still carries too high a risk because of the uncertainty surrounding the implementation in the UK of new EU regulations governing the power sector." *

Great Yarmouth Power Station has a dedicated pipeline connecting the plant to the National Gas Transportation System just outside the Bacton gas terminal.

The purchase increases RWE npower's clean energy CCGT portfolio from 2080 to 2500 MW. The company owns the Didcot 'B' CCGT station in Oxfordshire and the Little Barford CCGT in Cambridgeshire.

(ENDS)

Photographs available from the press office.

Notes to Editors:

* The UK Government is yet to decide on the implementation of two European Directives governing the operation of UK Power Plant - the Large Combustion Plant Directive and the EU Emissions Trading Scheme (Phase 2).

1. RWE npower is a leading integrated UK energy business. It generates electricity and supplies gas, electricity and related services to around 6 million customers through its retail business npower. The company operates and manages a flexible portfolio of power stations and is a market leader in renewable energy development through its wind and hydro business npower renewables.

2. With 8600MW RWE npower has a 10% share of the UK power generation market. RWE npower also owns the Didcot 'A', Aberthaw and Tilbury coal-fired power stations, the Littlebrook and Fawley oil-fired stations, hydro plant and onshore and offshore wind farms across the country. The company owns and operates a 2000MW portfolio of Combined Heat and Power plant on behalf of industrial customers around the UK.

3. RWE npower was advised by Citigroup and Lexicon Partners on the transaction.