

GDF SUEZ, IBERDROLA AND SCOTTISH AND SOUTHERN ENERGY TO ACQUIRE SITE FROM NUCLEAR DECOMMISSIONING AUTHORITY

A consortium of GDF SUEZ SA ('GDF SUEZ'), IBERDROLA SA ('IBERDROLA') and Scottish and Southern Energy Plc ('SSE') has been successful in securing an option to purchase land for the development of a new nuclear power station at Sellafield on the Cumbrian Coast from the Nuclear Decommissioning Authority ('NDA') for a total cash consideration of £70m in the process which concluded today 28th October 2009.

The consortium was formed earlier this year to participate in the UK's nuclear new build programme. The consortium partners acknowledge that significant investments are required in the UK to replace the existing fleet of nuclear and coal power plants nearing decommissioning. These investments are critical for the security of electricity supply and the targeted reductions of CO₂ emissions. The consortium is committed to helping the UK achieve these goals supported by the experience, resources and skills of operating and delivering nuclear plants.

The consortium aims at building up the highest quality management and wishes therefore to develop strong and long term relationships with local communities. It also expects to contribute to Cumbria's 'Energy Coast' vision through the development of new reactors in the region as Cumbria constitutes a very sound location due to its established practice and nuclear tradition.

The consortium now intends to prepare detailed plans for developing a new nuclear power station at the site with a capacity up to 3.6 GW. These plans should be submitted for consideration by the relevant planning authorities, with the aim of being able to begin construction of a new power station around 2015. The consortium will also complete the preparation of a plan for maximising the contribution of UK-based suppliers and UK-based employees to the new development at Sellafield.

Commenting on the acquisition, Alistair Phillips-Davies, Energy Supply Director of SSE, said: Nuclear power is a tried and tested way of generating power that can help meet energy security and climate change objectives which we support. In line with our commitment to a diverse generation portfolio, we believe that some participation in new nuclear power stations makes sense and complements our core investment in renewable energy.

Pedro Azagra, Director of Development of IBERDROLA, said: We are delighted with the opportunity to develop the Sellafield site and thereby make an important contribution to the UK government's nuclear development programme. Iberdrola has a long tradition in building and operating nuclear plants around the world and looks forward to taking this process forward in conjunction with its consortium partners."

Paul Rorive, Senior VP Nuclear Activities Division of GDF SUEZ declared: "For GDF SUEZ, which has 45 years of involvement in the nuclear industry, the acquisition of the Sellafield site confirms the ambition to play a major role in the nuclear revival in the world in order to tackle the new energy and environmental challenges."

About the consortium

In February 2009, GDF SUEZ (37.5%), Iberdrola (37.5%) and Scottish and Southern Energy (25%) entered a partnership to jointly participate in the development of new nuclear power stations in the UK.

One of the leading energy providers in the world, GDF SUEZ is active across the entire energy value chain, in electricity and natural gas, upstream to downstream. It develops its businesses (energy, energy services and environment) around a responsible-growth model to take up the great challenges: responding to energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources. GDF SUEZ relies on diversified supply sources as well as flexible and high-performance power generation in order to provide innovative energy solutions to individuals, cities and businesses. The Group employs 196,500 people worldwide and achieved revenues of €83.1 billion in 2008.

Iberdrola is a global, publicly listed company, with a 107-year history of contributing to the development of the energy sector, and providing quality and security of supply. Following a period of international expansion starting in 2001, Iberdrola is the fifth largest electricity group by market capitalization, with a presence in 40 countries and more than 28,5 million customers. Iberdrola is the leading energy group in Spain, one of the main operators in the United Kingdom and a world leader in wind energy. The company now has an installed capacity of 43,300 MW and a balanced, efficient and diversified generation mix.

Scottish and Southern Energy (SSE) is one of the UK's leading energy companies. It is involved in the generation, transmission, distribution and supply of electricity; energy trading; the development of major renewable energy projects; the storage, distribution and supply of gas; electrical and utility contracting; and telecoms.

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