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PRESS RELEASE

**CRE grants GRTgaz a higher rate of return
for investments aimed at eliminating congestion
on the northern part of France's gas transmission network**

CRE has just granted GRTgaz an extra 300 basis points for a 10-year period on investments aimed at eliminating congestion on the northern part of France's gas transmission network.

These investments, amounting to 280 M€, will allow GRTgaz to merge its northern, eastern and western balancing zones into a unique northern zone starting from January 1st, 2009.

This will make it easier for suppliers importing LNG in western France, suppliers importing gas in northern France (mostly from Norway and the Netherlands) and suppliers importing gas in eastern France (mostly from Russia) to serve a single market whose consumption is about 350 TWh of gas per year.

Competition between sources of supply will increase, and will allow a wider and more liquid trading hub to emerge in northern France. End consumers will have access to more competitive service offers from more suppliers.

In its gas sector inquiry, whose results were published last January 10, 2007, the European Commission affirmed its support for reducing the number of balancing zones in EU member states.

In France, the standard rate of return awarded to transmission system operators for new investments currently stands at 8.50%

The French Energy Commission (CRE) was set up on March 24, 2000. CRE is an independent administrative authority. It participates in the establishment of well-functioning electricity and gas markets that benefit consumers. It ensures that no discrimination, cross-subsidies or other obstacles to competition can take place.

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