

November 16, 2023

Press Release

WESTKÜSTE100 electrolyser will not be built

- ***H2 Westküste GmbH, the joint venture founded within WESTKÜSTE100, announced that there will be no positive investment decision for the planned electrolysis.***
- ***Decision comes following close assessment of projected profitability and associated risks***
- ***Findings of the work undertaken by H2 Westküste GmbH since 2020, will nonetheless prove valuable to the development of Schleswig-Holstein's hydrogen economy.***

Founded as part of WESTKÜSTE100 in August 2020, Raffinerie Heide, Ørsted Deutschland and Hynamics Deutschland – working in close coordination with the German Federal Ministry of Economics and Climate Protection (BMWK), as well as the Project Management Organisation, Projektträger Jülich – have been working together on the planning, construction and commissioning of a 30 MW electrolysis plant to produce green hydrogen using electricity from renewable energy sources.

After intensive examination of all general conditions, the joint venture will not make a positive investment decision. This is due to the increased investment costs and the associated major economic risks.

Roland Kühl, Managing Director of Raffinerie Heide, stressed: "The German government has commissioned the real-world laboratories in Germany to investigate the feasibility of producing green hydrogen and to probe the associated opportunities, hurdles, and risks. This is exactly what the three partners have been doing since the project began. Regardless of the decision that has now been made, we will continue to work at full speed to decarbonize Raffinerie Heide. The development of a green hydrogen economy on the west coast of Schleswig-Holstein continues to play an important role in this."

Jörg Kubitzka, Managing Director of Ørsted in Germany, commented on the decision: "A project must be economically viable, and this was unfortunately not the case in this instance. We therefore arrived at the logical conclusion. For Ørsted, there is no doubt that hydrogen will play an important part in decarbonizing German industry - but the associated costs must be reasonable and a market needs to be established."

Antoine Aslanides, Managing Director of Hynamics Germany, added: "Despite all our efforts, the economic conditions do not allow for a final investment decision to be made. We would like to thank the German government and our partners for everything we have achieved together. WESTKÜSTE100 has enabled us to develop valuable skills and expertise. We will continue to work towards the goal of decarbonization and are already using the knowledge we have gained for future projects."

Work undertaken by *H2 Westküste GmbH* was part of the WESTKÜSTE100 project, which received funding from the German Federal Ministry of Economics and Climate Protection (BMWK) in 2020, as part of the "*Reallabore der Energiewende*" [Real-World Laboratories for the Energy Transition] scheme. The purpose of the project had been to assess the regulatory, economic, and technological conditions for construction and commissioning of an electrolysis plant, and to identify necessary further developments. The work carried out since the start of the project and the associated knowledge gained in the real-world laboratory project are valuable for Schleswig-Holstein's hydrogen economy, regardless of the joint venture's decision. Following the decision not to move forward with final investment decision, the joint venture partners will now work in close coordination with BMWK and Projektträger Jülich to wind-up *H2 Westküste GmbH*.

ENDS

Contact for media enquiries:

Hynamics Deutschland GmbH

Unternehmenskommunikation

info@hynamics.de

Ørsted Germany GmbH

Communication, Branding & Sustainability

presse@orsted.de

Raffinerie Heide GmbH

Unternehmenskommunikation

presse@heiderefinery.com