

Danske Commodities increases gas storage portfolio by 30 TWh

Aarhus, Denmark, 14 November 2019. Energy trading company Danske Commodities (DC) announced today that Equinor will transfer a gas storage portfolio of 30 TWh to DC. The transfer increases DC's current portfolio significantly and represents a capacity similar to the entire annual electricity consumption of Denmark.

The transfer is a result of Equinor's commercial strategy which sees the company focusing on trading activities linked to maximising the value of its large equity portfolio of natural gas, while short-term opportunistic gas trading is managed by the wholly-owned subsidiary Danske Commodities.

"Danske Commodities' market presence and expertise in short-term energy trading complements Equinor's position as the second-largest supplier of natural gas to Europe. Through this transfer of gas storage assets, DC can further optimise its downstream portfolio and strengthen its position within opportunistic third-party trading which is a core business in DC. We see great potential to strengthen this business even further," said Tor Martin Anfinsen, Equinor's Senior Vice President for Marketing and Trading and Chairman of the Board of Directors in DC.

The portfolio consists of gas storage contracts across four liquid European markets, which will be transferred gradually upon approval by storage operators. With the increased storage contract portfolio, Danske Commodities will continue to help customers balance gas portfolios across seasons.

"The transfer of Equinor's downstream gas storage assets unlocks new growth potential for DC's gas trading business. With a diversified portfolio of fast and seasonal storages combined with one of Europe's leading gas trading teams, we are taking the next step to becoming a trailblazer of flexibility trading in the European markets", said Danske Commodities' VP, Head of Gas Trading & Origination Michael Vincent.

In connection with the transfer of the storage activities to DC, storage traders in Equinor's London office will join Danske Commodities' Gas Asset Trading team.

"We are thrilled to have this opportunity to grow our gas business, not just in terms of volume and market exposure, but also through increased collaboration with our highly skilled Equinor colleagues, Michael Vincent concluded.

When the transfers have been completed, Danske Commodities will handle a sizeable gas storage portfolio and is active in 23 gas markets.

In 2018, Equinor sold a total of 100 bcm of gas worldwide. Equinor is the largest producer of natural gas on the Norwegian continental shelf and Norwegian gas provides about 25 percent of Europe's gas. The company also has a significant gas portfolio outside Norway. The company's trading of equity volumes remains headquartered in Stavanger, and this transfer implies no transfer of tasks or personnel from Norway.

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WHO IS DANSKE COMMODITIES?

Danske Commodities is an energy trading company that specialises in short-term power and gas trading and offers balancing, optimisation and hedging services to energy producers and suppliers. Every day, the company completes more than 3750 trades across 39 countries, constantly moving energy from where there is more than needed to where it is needed most. Danske Commodities is a wholly-owned subsidiary to Norwegian energy company Equinor, operating under its own name and brand.