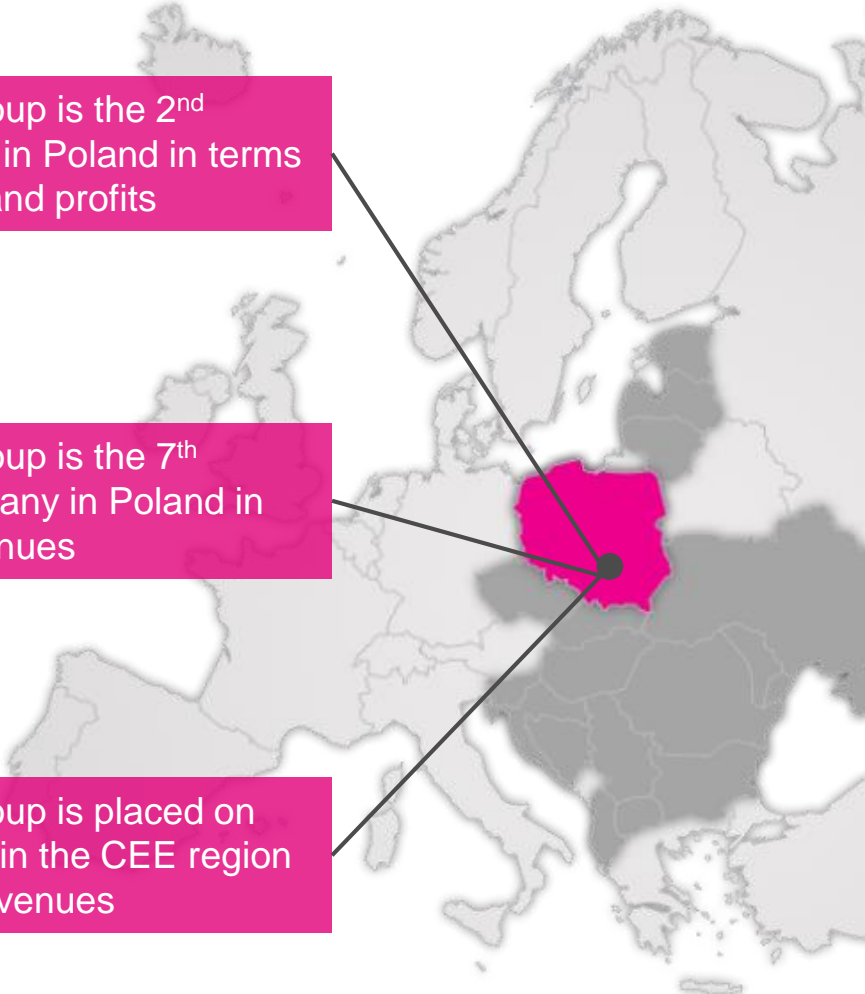




TAURON

CCS/CCU in TAURON Group

About TAURON Group



TAURON Group is the 2nd biggest utility in Poland in terms of revenues and profits

TAURON Group is the 7th biggest company in Poland in terms of revenues

TAURON Group is placed on 25th position in the CEE region in terms of revenues

Selected utilities listed on WSE:

- **TAURON**
 - P/E: 5.1
 - EV/EBITDA: 3.7
 - P/BV: 0.3

- PGE
 - P/E: 7.1
 - EV/EBITDA: 3.2
 - P/BV: 0.6

- ENEA
 - P/E: 7.7
 - EV/EBITDA: 3.7
 - P/BV: 0.5

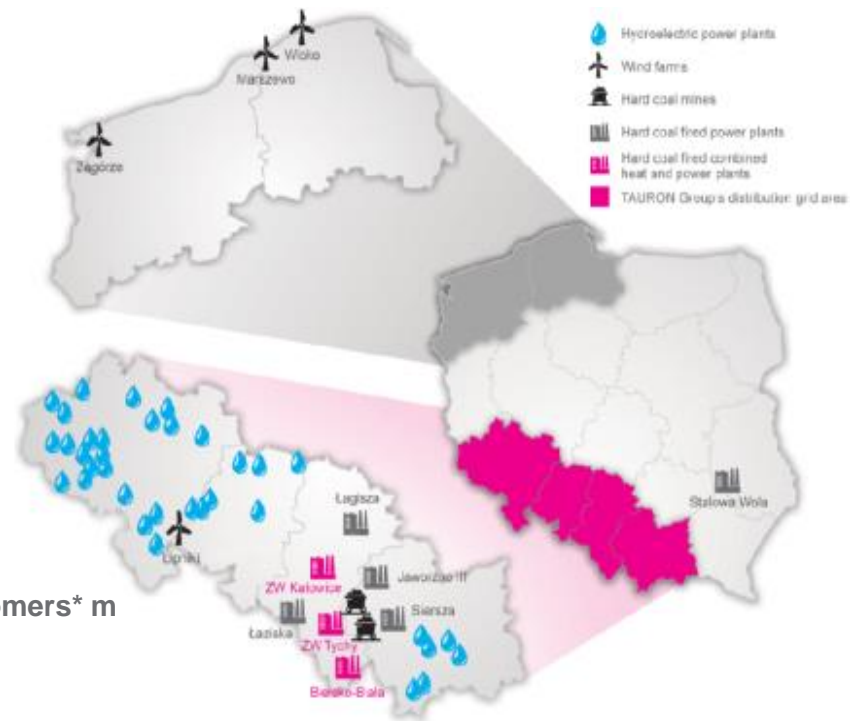
- ENERGA
 - P/E: 8.3
 - EV/EBITDA: 5.2
 - P/BV: 1

TAURON Group's assets

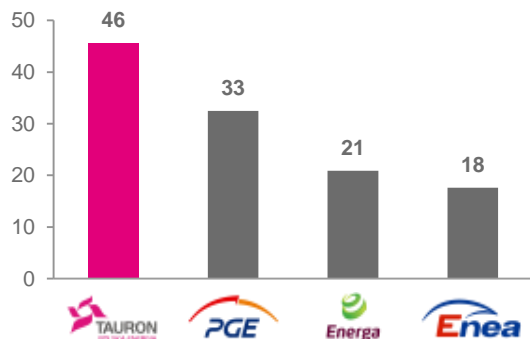


TAURON Group's key operating data – 2014

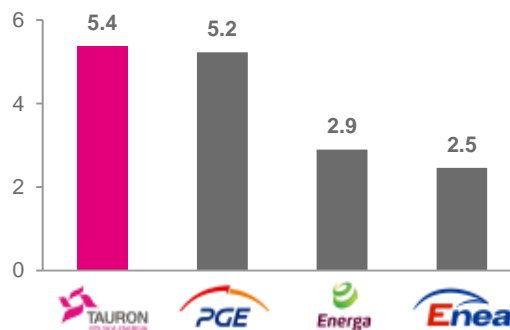
Production of commercial hard coal	5.4m t
Hard coal reserves	56.1m t
Hard coal resources	2 480m t
Installed capacity	5.1 GW
Net electricity generation	15.37 TWh
<i>including from renewable sources</i>	<i>1.79 TWh</i>
Electricity distribution (total volume)	47.9 TWh
Distribution lines	258 thou. km
Electricity supplied to retail clients	38.6 TWh
Customers	5.4m
Employees	approx. 26 thou.



Distribution to end customers*
TWh



End customers* m



*Data for the year ended on 31 December 2014

Integrated value chain



TAURON POLSKA ENERGIA S.A.*

Holding company in the TAURON Capital Group.

It is in charge of corporate functions: Group management, strategic projects, corporate regulations, HR, finance, controlling, internal audit, procurement, PR, IR

MINING

20%

of Polish recoverable thermal hard coal resources



- 2 hard coal mines
- 5.4m tons of hard coal extracted, of which 72% was used internally and 28% was sold to third-party customers

GENERATION

No. 2

electricity generator in Poland
one of the biggest players
in the heat market in Poland



- 5 hard coal PPs (4.5 GW of electric and 1.3 GW of thermal capacity)
- 3 hard coal CHPs (1.3 GW of thermal and 0.3 GW of electric capacity)
- 4 wind farms (183 MW of capacity)
- 35 hydro power plants (140 MW of capacity)
- 1,050 km of heat distribution grid

DISTRIBUTION AND SUPPLY

No. 1

electricity distributor and
No. 2
electricity supplier in Poland

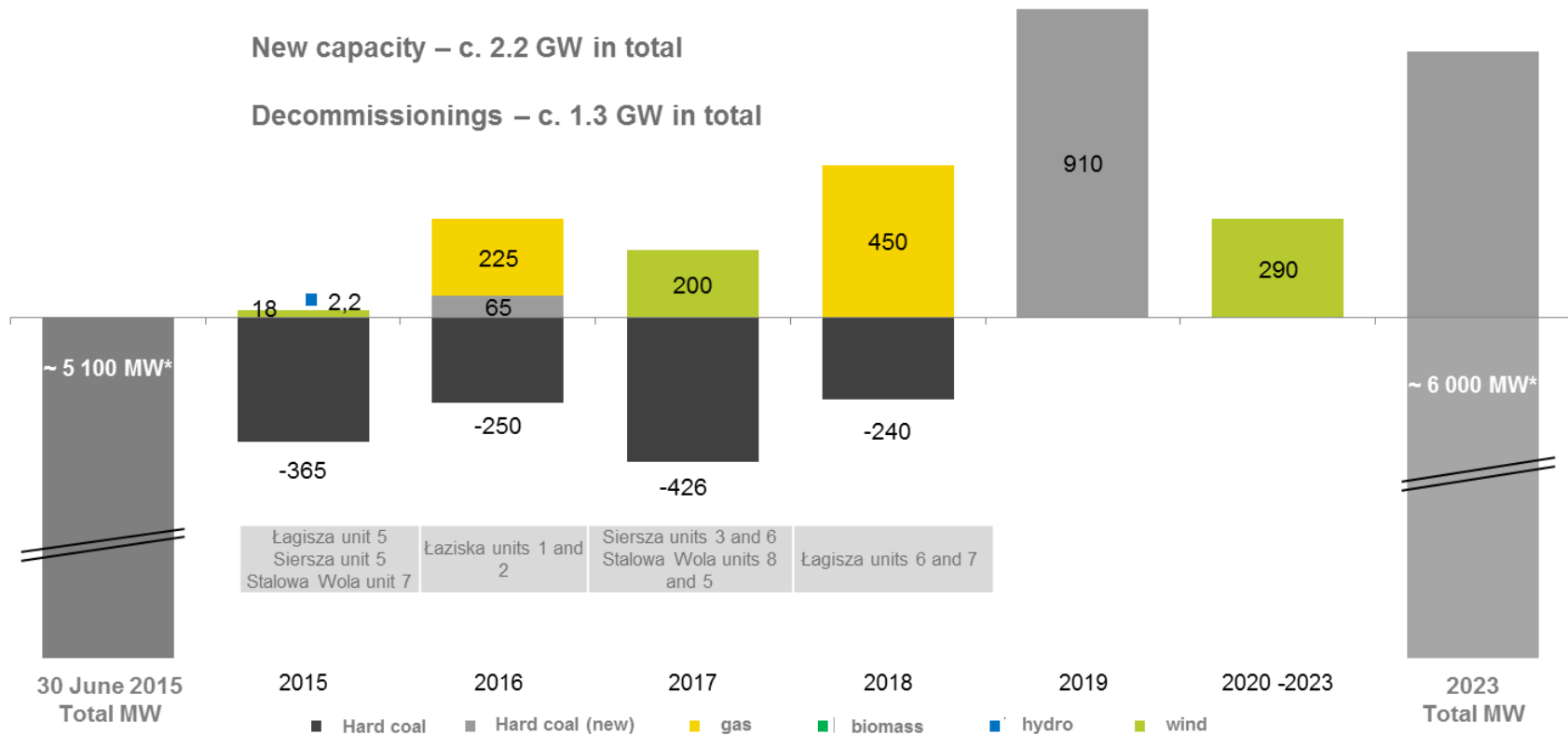


- 5.4m customers
- distribution area of 57.1 km², i.e. approx. 18.3% of Poland's territory
- 258,000 km of distribution grid
- 47.9 TWh of electricity distributed
- 38.6 TWh of electricity sold to retail clients

Capacity balance 2015-2023



wind, hydro	Tychy, ECSW*	wind	Łagisza	Jaworzno	wind
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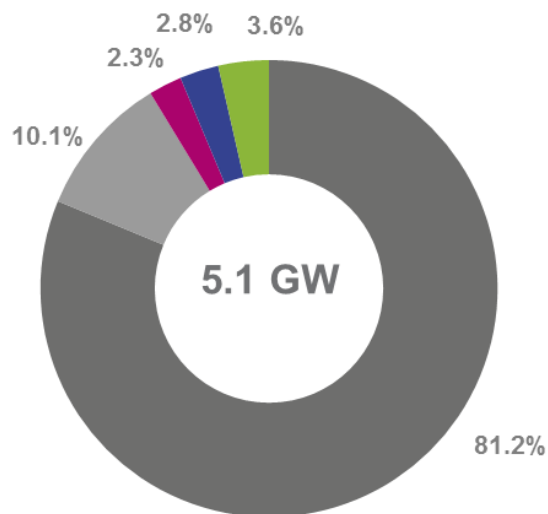


*Include transfer of some of the Group's generation assets to TAMEH company in December 2014 (joint venture with ArcelorMittal)
ECSW 450 MW capacity – included as 50%*

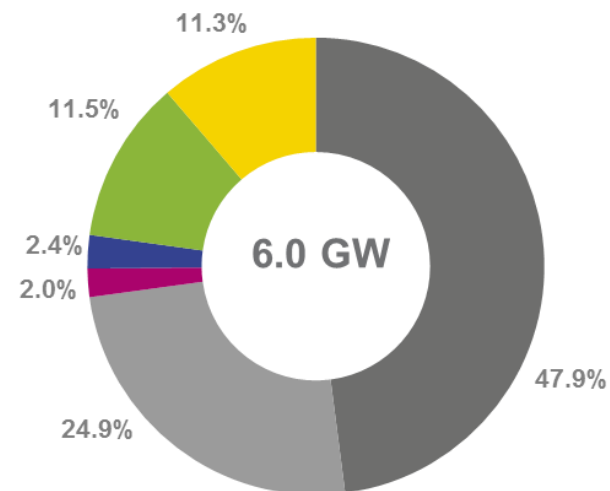
Generation portfolio diversification 2015-2023



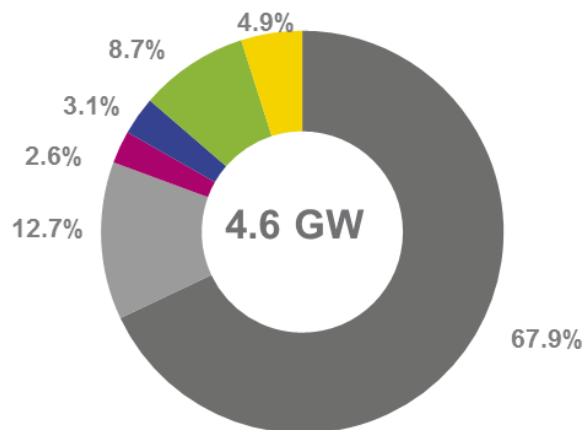
30 June 2015 – installed capacity: 5.1 GW*



2023 – installed capacity: 6.0 GW



2017 – installed capacity: 4.6 GW



■ hard coal ■ hard coal (new) ■ biomass ■ hydro ■ wind ■ gas

* Include transfer of some of the Group's generation assets to TAMEH company in December 2014 (joint venture with ArcelorMittal)



Polygeneration Plant



Project Partners:

- Grupa Azoty S.A. (Project Leader)
- KGHM Polska Miedź S.A.
- TAURON Wytwarzanie S.A./TAURON Polska Energia S.A.



Main assumptions:

- Project based on coal gasification
- Possible CCS/CCU



Possible products:

- Methanol
- Hydrogen
- Ammonia
- Other chemical
- Electricity
- Heat

Current Status:

- Work on Feasibility Study

Mobile installations for CO₂ capture tests



**Vacuum pressure swing
adsorption CO₂ capture pilot
research in Łagisza PP**

Pilot installation of amin CO₂ capture from flue gases

research in:

- ✓ Łaziska PP – PC boiler
- ✓ Jaworzno III – FCB boiler

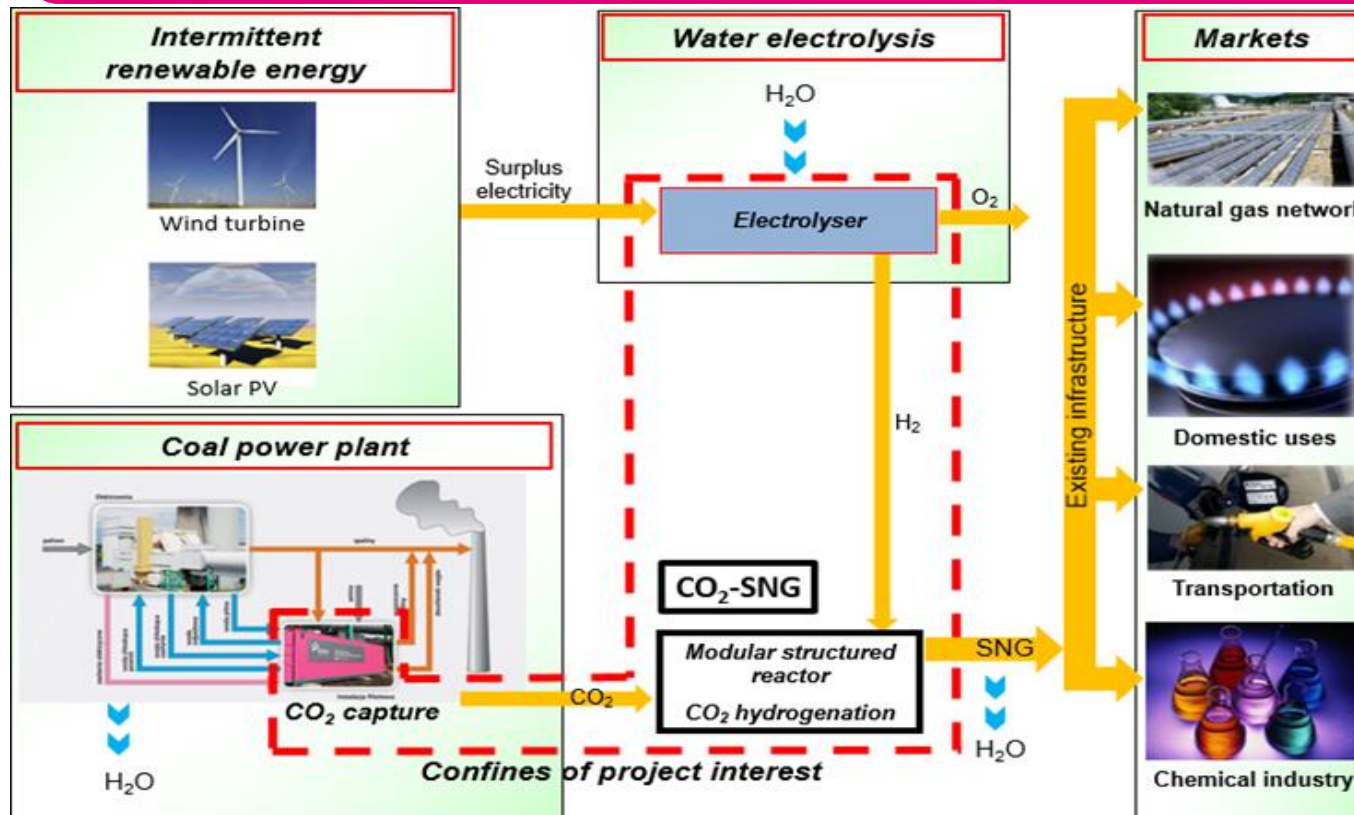


CO₂ → SNG

Financial support from EIT – KIC InnoEnergy

Project objectives

- Chemical energy storage
- Utilization of CO₂ from Amine Absorption Unit to produce Synthetic Natural Gas
- Using hydrogen produced from RES energy surplus





TAURON

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