

Nord Pool – The Nordic power exchange

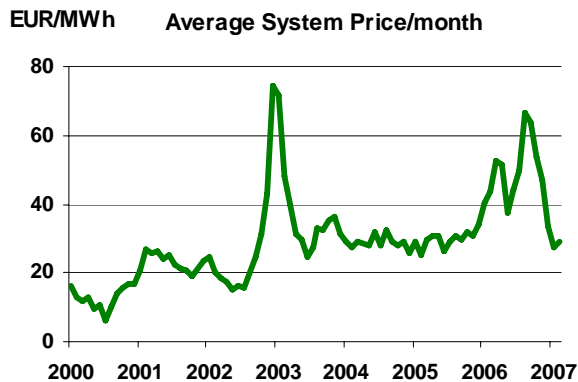
# GROUP MARKET REPORT

February 2007

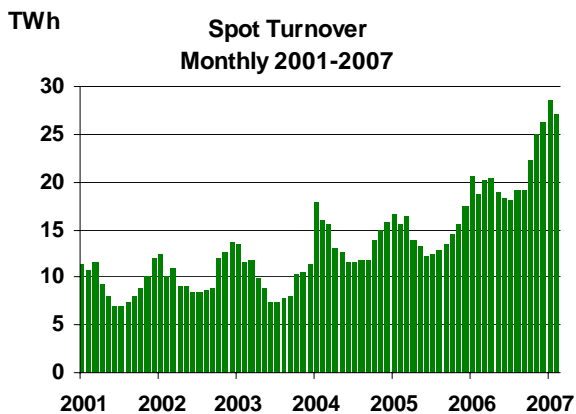
## Market report for the Nord Pool group February 2007

### Physical market – Nord Pool Spot AS

- Turnover in the physical market in February was 27,458 GWh (1 GWh = 1 million KWh). This was an decrease of 4,6 percent from January (28,784 GWh). In February 2006 turnover was 19,108 GWh.



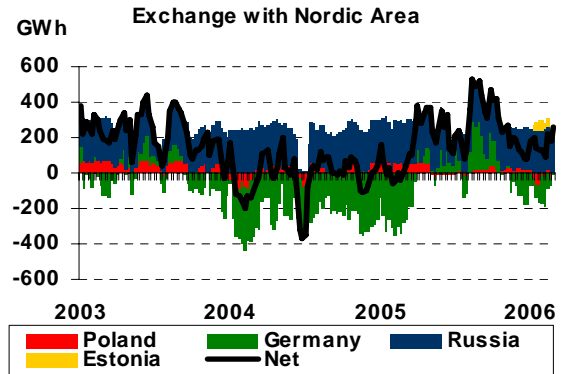
- The exchange's market share in February was 70.9 percent, a decrease of 1.3 percentage points from January. Compared with February 2006, this represents a rise of 21.1 percentage points.



- The average spot price in February was EUR 28.82/MWh, an increase of 1.25 euro, or 4.5 percent, from the preceding month.
- Compared with February 2006, the figure represents a decrease of 34.8 percent (EUR 43.37/MWh).
- The total traded volume for last twelve months was 266 TWh against 182.8 TWh for the same period in 2005/06. This is an increase of 45.5 percent.

### Power imports/exports in the Nordic market, February 2007:

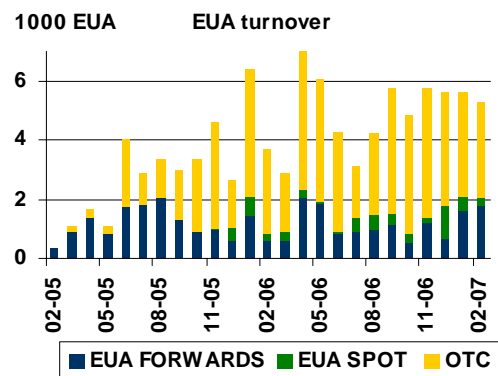
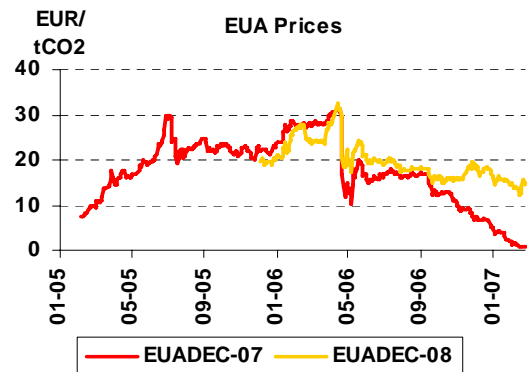
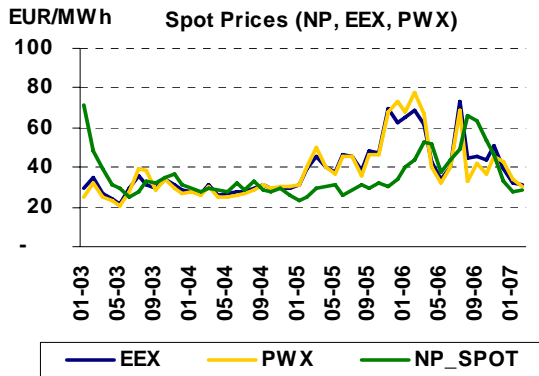
- The figures for import/export between the Nordic countries, which comprise a single common market, and the rest of Europe show that, overall, the Nordic region imported 822 GWh in February.



- This is 154 GWh more than in the preceding month. In February 2006, 63 GWh were exported. The import of power into the Nordic region derives from Russia, Poland, Germany and Estonia.
- Looking at the physical electricity flows between the countries, there were exports from Norway (609 GWh) and Denmark (845 GWh), while Finland (1216 GWh) and Sweden (1060 GWh) were importers.
- The Nordic region has imported a net total of 12,955 GWh last twelve months. During the same period in 2005/06, 161 GWh were imported.

## Development European power prices and volume

Below you find an overview of the spot prices for the largest exchanges in Europe since 2003, Nord Pool (Nordics), EEX (Germany) and Powernext (France).



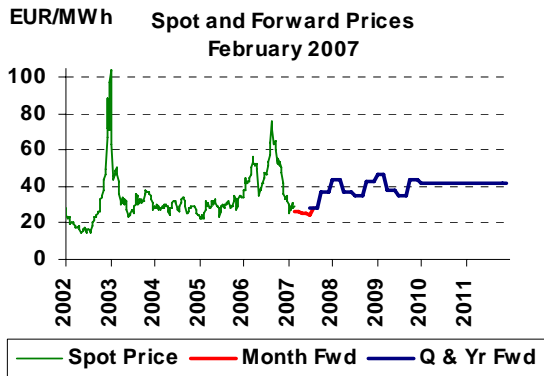
## Financial market and clearing - Nord Pool ASA/ Nord Pool Clearing ASA

- Turnover on the exchange in February was 59.5 TWh against 75.0 TWh in January. The notional value of the February contracts was 1,822 million euro.
- Turnover of cleared bilateral market trades in February was 89.7 TWh against 131.5 TWh in January. In the same period in 2006, the total was 88.6 TWh.
- Turnover of traded and cleared contracts in February was 149.2 TWh against 206.5 TWh in January. In the same period in 2006, the total was 145.2 TWh.
- The value of the financial contracts (financial market and clearing) in February was 3,846 million Euro against 4,919 million euro in January, while, compared with February 2006, it represents a fall of 25 percent.
- The number of active participants was 100, and they executed a total of 11,986 transactions. In January, the corresponding figures were 94 participants and 14,830 transactions.
- Total turnover for last twelve months (both financial market and clearing) was 2,168 TWh at a value of 76,382 million euro. The corresponding figures for the same period in 2005/06 were 1,918 TWh and 55,345 million euro.
- In February 5.26 million tonnes CO<sub>2</sub> were traded and cleared, against 5.61 million tonnes in January (1 tonne CO<sub>2</sub> = 1 EUA). The value of the contracts was 42.3 million euro. In February 2006, 3.7 million tonnes were traded and cleared, at a value of 99.8 million euro.

- During last twelve months, emissions allowances equating to 60.37 million tonnes CO<sub>2</sub> have been traded and cleared (37.7 million tonnes in the same period in 2005/06). These had a value of 901.5 million Euro (848 million euro in the same period in 2005/06).

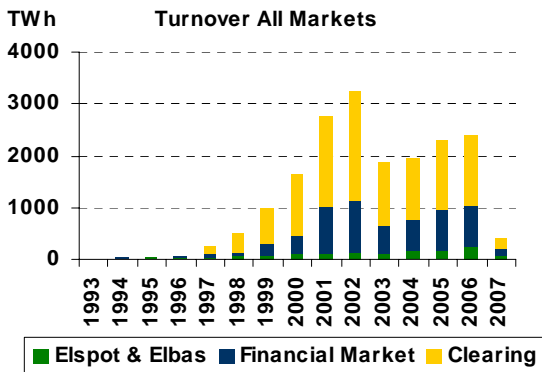
## Future electricity prices

- Nord Pool stresses that these prices indicate the market's expectations of future power prices in the wholesale market.
- Trading in the financial market (the future power market) indicates a price for the forward contract for Q2 2007 down to 25.60 EUR/MWh, from 27.95 in the preceding period. This means that price for a megawatt hour of power in the second quarter of 2007 fell by 8.4 percent between the end of January and of February.



- In January, the price for the Q3 2007 contract was also down, from EUR 29.9/MWh to 27.75. This is a fall of 7.1 percent compared with the price at the end of January.
- For the annual contract for 2008, in February the price fell to EUR 39.75/MWh from 40.15. This is a fall of 1 percent from January.

## Turnover Nord Pool group



See enclosed tables for more information.

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## Nord Pool monthly report February

### Physical market, Nord Pool Spot AS

<b>Elspot prices (EUR/MWh)</b>	<b>February 2007</b>	<b>January 2007</b>	<b>February 2006</b>	<b>Jan-Feb 2007</b>	<b>Jan-Feb 2006</b>	<b>Mar 2006- Feb 2007</b>
System price	28.82	27.57	43.37	28.16	31.06	46.39
Århus	28.47	25.66	47.01	26.99	38.21	41.40
Copenhagen	30.59	27.30	50.53	28.86	36.05	45.12
Finland	30.48	27.46	47.75	28.89	32.58	45.92
Oslo	27.67	27.70	42.67	27.69	30.73	47.12
Trondheim	30.13	27.85	43.47	28.93	31.06	46.95
Tromsø	30.01	27.84	43.47	28.87	31.06	46.94
Sweden	30.13	27.47	43.49	28.73	31.42	46.02
Kontek	30.39	31.34	68.52	30.89	61.37	44.14

#### Turnover, Spot

TWh	27.5	28.8	19.1	56.2	40.1	266.0
mEUR	791.3	793.6	828.7	1,584.0	1,245.5	12,338.6
GWh/day	980.6	928.5	682.4	953.3	679.7	728.7
mEUR/day	28.26	25.60	29.60	26.85	21.11	33.80
Market share	70.9 %	72.2 %	49.8 %	71.6 %	49.6 %	67.7 %

#### Turnover, Elbas

GWh	87.0	123.4	68.7	210.3	172.7	1,102.5
mEUR	2.6	3.7	3.1	6.3	7.7	50.3
GWh/day	3.11	3.98	2.45	3.56	2.93	3.02
mEUR/day	0.33	0.41	0.39	0.37	0.45	0.44

#### Physical electricity flows net GWh

(- export / + import)

Denmark	-845	-637	-854	-1,482	-1,594	-6,826
Finland	1,216	1,352	1,311	2,568	2,800	11,033
Norway	-609	323	-1,134	-286	-2,431	2,845
Sweden	1,060	-370	614	690	1,219	5,903
The Nordic Region	822	668	-63	1,490	-6	12,955

## Financial market, Nord Pool ASA

### Financial electricity contracts

Closing prices, forward contracts	February 2007	January 2007	February 2006	Jan-Feb 2007	Jan-Feb 2006	Mar 2006-Feb 2007
2 <sup>nd</sup> quarter 2007	25.60	27.95	42.00			
3 <sup>rd</sup> quarter 2007	27.75	29.90	40.40			
Year 2008	39.75	40.15	41.81			
Year 2009	41.00	41.15	41.75			
<b>Turnover on the exchange</b>						
TWh	59.5	75.0	56.6	134.5	133.6	766.8
mEUR	1,822	2,355	2,267	4,177	5,129	35,342
Number of transactions	7,714	9,705	5,964	17,419	14,459	92,107
GWh/day	2,974.4	3,409.4	2,828.8	3,202.3	3,181.9	3,054.9
mEUR/day	91.1	107.1	113.3	99.5	122.1	140.8
No. transactions/day	385.7	441.1	298.2	414.7	344.3	367.0
<b>Clearing turnover</b>						
TWh	149.2	206.5	145.2	355.6	347.8	2,168.1
mEUR	3,846.0	4,919.3	5,131.0	8,765.3	11,562.1	76,381.9
Number of transactions	11,986.0	14,830.0	9,938.0	26,816.0	23,404.0	144,417.0
GWh/day	7,458.6	9,384.9	7,260.6	8,467.6	8,280.0	8,638.0
mEUR/day	192.3	223.6	256.6	208.7	275.3	304.3
No. transactions/day	599.3	674.1	496.9	638.5	557.2	575.4

### Trading in European emissions allowances (CO<sub>2</sub>)

#### Closing prices, emissions allowances

EUADEC07	0.95	2.45	27.40
EUADEC08	14.70	15.20	24.20

#### Turnover on the exchange

Volume (1,000 EUA)	2,046	2,106	808	4,152	2,905	18,577
mEUR	13.33	15.92	21.86	29.25	72.44	262.47
Number of transactions	186	240	106	426	314	2058
Volume (1,000 EUA)/day	102.30	95.73	40.40	98.86	69.17	74.01
mEUR/day	0.67	0.72	1.09	0.70	1.72	1.05
No. transactions/day	9.3	10.9	5.3	10.1	7.5	8.2

#### Clearing turnover

Volume (1,000 EUA)	5,258	5,609	3,704	10,867	10,115	60,370
mEUR	42.26	47.34	99.83	89.60	258.77	901.50
Number of transactions	392	505	314	897	748	4834
Volume (1,000 EUA)/day	262.90	254.95	185.20	258.74	240.83	240.52
mEUR/day	2.11	2.15	4.99	2.13	6.16	3.59
No. transactions/day	19.6	23.0	15.7	21.4	17.8	19.3

#### Trading days in the period

	20	22	20	42	42	251
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## About Nord Pool

Nord Pool was the first multinational commodity exchange for electricity, green certificates and European Union allowances (EUAs). The business of the Nordic power exchange is to provide market places for trading in physical and financial contracts in the Nordic countries (Finland, Sweden, Denmark and Norway).

### Organisation

The Nord Pool group comprises Nord Pool ASA and Nord Pool Spot AS.

Nord Pool ASA comprises the wholly owned subsidiaries, Nord Pool Clearing ASA and Nord Pool Consulting AS. The national grid companies Svenska Kraftnät and Statnett holds 50 per cent each in Nord Pool ASA.

Nord Pool Spot AS and its subsidiary Nord Pool Finland Oy is owned by the national grid companies Fingrid, Energinet, Statnett, Svenska Kraftnät and Nord Pool ASA by twenty per cent each.

The Nord Pool group has offices in Lysaker (Oslo), Fredericia, Stockholm, Helsinki, Berlin and Amsterdam.

### Members

The Nord Pool group has more than 420 members in total, including exchange members, clearing clients, members and representatives in 20 countries.

- The customer base for Nord Pool ASA now includes 366 members.
- Nord Pool Spot AS has a customer base of 299.

The membership includes energy producers, energy-intensive industries, large consumers, distributors, funds, investment companies, banks, brokers, utility companies and financial institutions.

## Services from Nord Pool

### The physical market - Nord Pool Spot AS

The physical market is the basis for all electricity trading in the Nordic market. The spot price set here forms the basis for the financial market. Nord Pool Spot organises the market place which comprises the Elspot and Elbas products. Elspot is the common Nordic market for trading physical electricity contracts with next-day supply. Elbas is a physical balance adjustment market for Sweden, Finland, eastern areas Denmark and Germany. The Elspot market also includes the KONTEK area in Germany.

### The financial market – Nord Pool ASA

Nord Pool ASA provides a market place where the exchange members can trade derivative contracts in the financial market. Financial electricity contracts are used to guarantee prices and manage risk when trading power. Nord Pool offers contracts of up to six years' duration, with contracts for days, weeks, months, quarters and years. Nord Pool also trades EUAs).

### Clearing – Nord Pool Clearing ASA

Nord Pool Clearing enters into financial electricity contracts, and EUA contracts as a contractual counterparty. The clearing house assumes liability for covering the future settlement of these contracts. That reduces the risk for both buyer and seller. Nord Pool Clearing provides clearing of standardised contracts traded on the exchange and in the over-the-counter (OTC) market.

### Consulting – Nord Pool Consulting AS

Nord Pool Consulting AS is a consulting company specialising in services in the fields of consulting, operations and development of international deregulated power markets.

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