

## Press Release no 05/2006

### Nord Pool ASA delivers spot trading solution in Southern Africa

*(Lysaker, 24 March 2006)* Nord Pool has signed a contract with the Southern African Power Pool (SAPP) to deliver a day-ahead market system to manage auctioning of physical electricity contracts. SAPP will conduct market trials from January 2007. This is based on the systems used in the Nordic market and also supplied to German and French power exchanges.

The market splitting model first implemented by Nord Pool in the Nordic market has become the common standard for European market places. This is the first implementation outside Europe and will be the world's largest power exchange (in geographic terms 9.3 million square kilometres). The SAPP comprises of the twelve southern African nations who are members of the Southern African Development Community (SADC). Nord Pool partners with Enerweb, a daughter company of the South African TSO (Eskom) to provide local support and web client applications.

Chief executive Torger Lien says we congratulate SAPP with their progression from bilateral market (OTC) to a spot exchange market. Nord Pool is pleased to create together with SAPP a robust and well-functioning electricity market for southern Africa.

The coordination centre manager Dr. Lawrence Musaba said that the trading of electricity in southern Africa has been going on for the last 30 years or so via bilateral contracts and agreements. In April 2001, the short-term energy market (STEM) was introduced as a first step towards developing a competitive electricity market for the SADC region. The delivery of the SAPP day-ahead market system will ensure that electricity is traded competitively like any other commodity in the SADC region.

*Nord Pool is the world's first international commodity exchange for electricity, green certificates and European Union allowances (EUAs).*

*It has more than 400 members from 14 countries across a wide number of energy producers and energy consumers as well as financial institutions.*

*The Nord Pool group comprises the parent company, Nord Pool ASA, and the wholly-owned subsidiaries Nord Pool Clearing ASA and Nord Pool Consulting AS. With its headquarters located in Oslo, the group also has offices in Sweden, Finland, Denmark and Germany. Nord Pool Spot are also part of the group in which Nord Pool ASA owns 20 per cent.*

*Nord Pool ASA operates its exchange and clearing house under licenses from the Norwegian financial authorities. Nord Pool Spot AS operates its exchange under a concession from the Norwegian energy regulator.*

*The Southern African Power Pool was created with the primary aim to provide reliable and economical electricity supply to the consumers of each of the SAPP members, consistent with reasonable utilisation of natural resources and the effect on the environment.*

*The members of the SAPP have undertaken to create a common market for electricity in the SADC region and to let their customers benefit from the advantages associated with this market*

*Enerweb South African specialist IT Company – Has provided all the energy trading and major metering data management systems in the Southern African Region since 1999.*

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