

TRANSLATION

MEMORANDUM

Public Tender – The Position of Trustee

On 24 March this year, the Danish Competition Council (Konkurrencerådet) approved the merger between Elsam A/S and NES A A/S. The merger was approved in the light of a commitment undertaken by Elsam to sell so-called virtual central power plant capacity.

The trustee shall ensure that Elsam fulfils its commitment regarding the sale of virtual capacity. The trustee's two most important duties are to develop an auction design and to monitor the entire process in cooperation with Elsam and the Competition Authority. The trustee may decide to outsource the development of an auction design to a third party. The term of the trustee position runs until 31 March 2008.

It is a condition that the trustee is able to demonstrate its independence from Elsam, potentially by establishing so-called "Chinese Walls". When selecting the trustee, importance will be attached to the following aspects:

- Experience with conditions in the Danish and Nordic electricity market.
- In-depth knowledge of design, implementation and holding of auctions.
- Cost-effectiveness.
- Experience with financial products, in particular options.
- Flexibility and the potential to use significant resources whenever required.

Additional material regarding the assignment can be found on the Competition Authority's website at: www.ks.dk as well as on Elsam's website at: www.elsam.com.

An information meeting will be held for all interested tenderers on 19 November, at 10 a.m., at the offices of the Competition Authority in Nyropsgade 30, DK-1780 Copenhagen V, Denmark.

The tender must reach Elsam on 6 December 2004 at the latest. The tender must be submitted in three copies to: Elsam, Overgade 45, Skærbæk, DK-7000 Fredericia, Denmark, Attn.: Leif Winum. Three copies of the tender must be forwarded to the Competition Authority, Nyropsgade 30, DK-1780 Copenhagen V, Denmark, Attn.: Carsten Smidt.

The Competition Authority will select the trustee in consultation with Elsam. It is possible to reject tenderers with insufficient professional standards. Costs relating to the trustee are defrayed by Elsam.

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KONKURRENCESTYRELSEN
THE DANISH
COMPETITION AUTHORITY

ØKONOMI- OG
ERHVERVS MINISTERIET
THE DANISH MINISTRY OF
ECONOMIC AND BUSINESS
AFFAIRS